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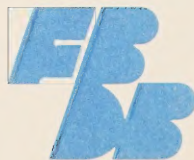
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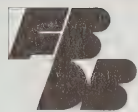
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Canada



Federal Business Development Bank

Annual Report 1977



FEDERAL
BUSINESS
DEVELOPMENT BANK

HEAD OFFICE
901 VICTORIA SQUARE, MONTREAL, QUE., H2Z 1R1

June 29th, 1977

The Hon. Jean Chrétien, P.C.,
Minister of Industry, Trade and Commerce,
Ottawa, Ontario.

Dear Mr. Chrétien:

In accordance with the provisions of the Federal Business Development Bank Act, I enclose my report for the year ended March 31st 1977, the first full fiscal year of the Bank. Also enclosed is a statement of the Bank's accounts for this period which is signed and approved in the prescribed manner.

Yours truly,

J.R. Murray,
President.

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On peut se procurer la version française de ce rapport dans toute succursale de la Banque

Board of Directors

*S. Kanec, Chairman	Winnipeg, Man.
G. K. Bouey	Ottawa, Ont.
H.B. Cohen	Calgary, Alta.
*G. J. Desmarais	St. Lambert, Que.
R. F. Fiske	Halifax, N.S.
C. C. Frenette	Montreal, Que.
Dr. J. M. LeClair	Ottawa, Ont.
*J. D. Love	Ottawa, Ont.
H. H. MacKay	Regina, Sask.
*J. R. Murray	Montreal, Que.
*G. F. Osbaldeston	Ottawa, Ont.
**J. W. Poole	West Vancouver, B.C.
R. G. Rankin	London, Ont.
Mrs. Ian J. Reid	St. John's, Nfld.
F. D. Rosebrugh	Willowdale, Ont.

Highlights of Fiscal Year 1977

Loans authorized – number	9,311
– amount	\$424,076,000
Investments authorized – number	24
– amount	\$2,316,000
Number of customers at March 31, 1977	31,925
Amount outstanding or committed to customers at March 31, 1977	\$1,525,300,000
CASE – inquiries received	4,230
– assignments undertaken	2,840
Management training seminars – number	628
– participants	12,000
Small business information service – inquiries received	13,000

On October 2, 1975, the Federal Business Development Bank succeeded the Industrial Development Bank. In this report, statistics for periods prior to that date refer to the operations of the Industrial Development Bank.

*Member of the Executive Committee

**Mr. Poole resigned on May 31, 1977.

Mr. D. R. Andrews of Kamloops, B.C. was appointed a Director on June 1, 1977.

Report of the President

First Full Fiscal Year

On March 31st, 1977, the Federal Business Development Bank completed its first full fiscal year of operations. It was an active year which is reflected in the highlights on the opposite page. It was a year of further expansion of the facilities of the Bank to help make its services more available to businesses everywhere in the country. It was also a year when sluggish business conditions in most areas of Canada had a pronounced adverse effect on the ability of a substantially increased number of our customers to meet scheduled repayment on time; or indeed, in many cases to survive financially.

Financial Results

During the 12 months ended March 31st, 1977, the Bank earned net income of \$22,108,064. Of this, \$4,084,477 (less recovery of \$152,770) was required to provide for write-offs of loans and investments. A further \$16,000,000 was set aside to provide for future write-offs. This brings the accumulated provision for possible future losses on loans and investments to \$47,000,000.

The \$47,000,000 in accumulated provision for possible future losses contains two components. The first of these is a specific provision to cover probable losses in those loan and investment accounts experiencing particularly serious arrears or on which realization of security is under way. The second portion of the provision is a contingency against possible losses on the loan and investment accounts which are not yet showing serious problems.

The first group of accounts referred to has increased from 1,000 in number in 1976 to 1,800 in 1977. The specific provision is obtained by a detailed examination of each of these accounts by the Bank's field staff,

head office staff, and the external auditor. This provision has been increased from \$14,000,000 in 1976 to \$25,000,000 in 1977.

The second portion of the provision is maintained year-to-year by reserving a percentage of the outstanding balances in the second group of accounts. In view of the current economic situation and outlook, this provision has been increased from \$17,000,000 last year to \$22,000,000 this year.

The overall provision for possible future losses has been determined at \$47,000,000, being the total of \$25,000,000 specific provision and \$22,000,000 contingency provision.

Financial Services

In its 1977 fiscal year, FBDB authorized 9,311 loans for a total amount of \$424,076,000. The volume of lending was down by 7% both

in number and amount of loans from the same period a year earlier. The decline occurred chiefly in Ontario and British Columbia; the amounts of money loaned in Prince Edward Island, New Brunswick, Quebec, Saskatchewan, Alberta and the Yukon were greater than in the previous year.

There are now 31,925 businesses across Canada with a total in FBDB financing outstanding or committed to them of \$1,525,300,000. This is an increase of 9% in number and amount over a year ago when the Bank had 29,274 customers with a total outstanding or committed of \$1,397,600,000.

In addition to loans, the Bank made 24 equity investments for a total of \$2,316,000 in its first full fiscal year. Sixteen investments were in manufacturing businesses, one was in mining, and the

Type of business	Loans Authorized in years ended March 31st							
	1976				1977			
	No.	%	Amount (\$000)	%	No.	%	Amount (\$000)	%
Manufacturing	1,746	17	\$ 92,922	20	1,645	18	\$ 87,240	21
Wholesale and retail trade	3,391	34	123,441	27	3,308	35	119,237	28
Tourist industry	1,797	18	96,788	21	1,702	18	91,420	21
Agriculture	598	6	26,211	6	474	5	23,742	5
Construction	570	6	22,327	5	440	5	18,333	4
Rental properties	507	5	34,505	8	456	5	32,536	8
Transportation and storage	333	3	15,276	5	297	3	14,986	4
Other	1,146	11	43,183	10	989	11	36,582	9
	10,088	100%	\$454,653	100%	9,311	100%	\$424,076	100%

balance were in service industries. Half of them were for high technology undertakings. The Bank is now committed for 51 investments and the cost of the investments outstanding is \$6,281,000.

FBDB is now one of the largest sources of venture capital for small and medium size businesses in Canada and in the coming months, it will increase its efforts to inform owners of small businesses of the value to their enterprises of equity financing.

FBDB provides financing to businesses when they are unable to get it from other sources on reasonable terms and conditions. The Bank's financial assistance makes it possible for them to acquire land, buildings, machinery and equipment for modernization or expansion purposes; to start new enterprises; to replenish working capital; or to meet some other needs.

Management Services

1. CASE (Counselling Assistance to Small Enterprises)

Under this service, small businesses are helped to improve their methods of doing business by CASE counsellors who are retired business persons. For a nominal fee, they make their experience available to assist businesses overcome problems.

When FBDB assumed the management of the CASE program from the Department of Industry, Trade and Commerce on November 1, 1975, there were 13 CASE offices and 1,200 CASE counsellors. At present, there are 20 CASE offices and four new offices will shortly be opened. There are now 1,600 retired persons on the CASE roster of counsellors.

The program, which supplements private counselling services, is available anywhere in Canada. Last year, CASE received

4,230 inquiries and the counsellors undertook 2,840 assignments compared with 1,176 inquiries and 502 assignments in the previous five months. It is important to note that only a small number of CASE clients are customers of the Bank.

A more complete description of the CASE program may be found in the insert included in the back of this report.

2. Management Training

To help improve management skills of owners and managers of small businesses, the Bank conducts management training seminars chiefly in smaller cities and towns across the country. The subjects covered at the seminars include financial analysis, bookkeeping, taxation, personnel administration, marketing and other subjects. Last year, 628 seminars were held in several hundred centres with a total attendance of over 12,000.

The Bank publishes 25 owner/manager training courses which it distributes to the education departments of all the provinces and territories for their use in adult education.

3. Information Services

At its offices, the Bank provides information about the programs of assistance to business sponsored by the federal and provincial governments and others. When it appears that an inquirer may be helped by one of these programs, he or she is directed to the appropriate office. In the past year the Bank received over 13,000 inquiries for such information. Later in the year, the Bank organized information sessions of some two-three hours duration to which business persons are invited by advance advertising to learn about the various assistance programs.

The Bank issues pamphlets under the

heading "Minding your own business". There are now 14 pamphlets in the series covering topics relating to the management of small business in Canada. The Bank also publishes a quarterly bulletin, "Small Business News", featuring business developments. Some 46,000 names are on the mailing list to receive the Bank's publications.

At each of its branch offices, the Bank has reference libraries which contain a variety of publications about small business management. Interested persons are advised where copies of the publications can be obtained.

General Activity

During the year, the Bank opened eight branch offices to make its services more accessible to the business community. In the Atlantic Region, offices were opened in Grand Falls, Newfoundland; Bridgewater, Nova Scotia; and Bathurst, New Brunswick. In Alberta, a third office, Edmonton West, was established in the province's capital. In British Columbia, offices were opened in Langley, Vernon, Williams Lake and Vancouver East; the latter office brings to six the number of offices in Greater Vancouver. At the year-end, the bank had 89 branch offices, including six sub-branches across Canada. They are located as follows: Newfoundland 3, Nova Scotia 4, New Brunswick 4, Prince Edward Island 1, Quebec 18, Ontario 23, Manitoba 3, Saskatchewan 3, Alberta 8, British Columbia 20, Yukon 1, Northwest Territories 1.

The Bank has regional offices at Halifax, Montreal, Toronto, Winnipeg, and Vancouver. Each of these offices is in charge of a Regional General Manager who supervises the activities of the branch offices in his respective region. The Northern Ontario

District office at Sault Ste. Marie supervises the work of the five branch offices in Northern Ontario.

The lending authority of the Bank is highly decentralized. Currently, branch and regional offices approve 98% of the loans and only 2% of the applications for loans are referred to Head Office for approval. The delegation of lending authority to branch and regional offices and the continuing program of simplification of procedures permits the Bank to give a decision on loan applications within 14 days on the average.

The Bank undertakes a variety of efforts to make its services known to business people. Representatives from the various branch offices annually make over 7,000 visits to some 700 communities. These visits are advertised in advance and local business persons are invited to meet the Bank's representatives to discuss financing proposals or other services of the Bank. Under this program of advertised visits, special emphasis is given to visiting numerous smaller centres. The Bank's representatives receive over 16,000 inquiries in a year and the program generates nearly a fifth of the loans made by the Bank.

Officers of the Bank address over 500 meetings of service clubs, chambers of commerce, and other organizations in a year. They frequently attend business, industry and trade meetings. Displays are arranged at some trade exhibitions and mobile vans are used when visiting some communities.

The Bank continues its program of training representatives of foreign development financing organizations. In the past year, visitors were received from eight countries for training. Over the past two decades, the Bank has been pleased to train representatives from 50 countries. At the

request of foreign countries, FBDB officers visit them to assist with establishing or operating development banks, many of which are modelled on the organization and operating methods of the Bank.

Board of Directors

In June 1976, Mrs. Ian J. Reid of St. John's, Newfoundland, was appointed a Director of the Bank. Mr. Guy A. Lavigne resigned from the Board when he was appointed Executive Vice-President of the Bank, effective March 1st 1977. Mr. G.F. Osbaldeston, Deputy Minister, Department of Industry, Trade and Commerce, Ottawa, Ontario, was appointed to succeed Mr. Lavigne as a Director and member of the Executive Committee.

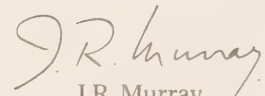
Retirement of Ritchie Clark

Ritchie Clark, Executive Vice-President and Chief General Manager of the Bank, retired in February 1977 after 30 years of service. Mr. Clark joined the Industrial Development Bank as a credit officer in Toronto in 1947. He was transferred to the Vancouver office where he became an Assistant Supervisor in 1955. He was appointed Supervisor at Winnipeg in 1956 and at Montreal in 1959. He served as Assistant General Manager of the Bank, 1962-1966, and Deputy General Manager, 1966-1969. Mr. Clark was appointed General Manager of the Bank in 1969 and served as its Chief Operating Officer from then until his retirement from his position as Executive Vice-President and Chief General Manager of the Federal Business Development Bank.

Ritchie Clark directed the activities of the Bank during its period of greatest growth skilfully and with a profound concern for the men and women in its employ. His contri-

bution to the Bank was unique in its history.

The staff of the Bank comprises 1,855 men and women. Through their dedicated efforts the Federal Business Development Bank has completed 18 months of operations and is now well launched in its expanded role of providing financing and management services to smaller businesses across Canada.



J.R. Murray,
President.

Statement of Operations for the year ended March 31, 1977

Financial Services

	1977	(6 months) 1976
Income:		
Interest	\$152,596,207	\$67,158,431
Sundry	3,646,883	1,498,463
	<u>156,243,090</u>	<u>68,656,894</u>
Expenses:		
Salaries and employee benefits	28,245,904	12,254,269
Staff travel and transfers	2,355,237	969,494
Rental and other expenses - leased premises ...	3,858,297	1,611,161
Depreciation of fixed assets	705,930	306,662
Publicity	965,581	547,709
Telephone, telex and telgrams	1,093,433	490,141
Office supplies and expenses	1,178,752	555,071
All other operating expenses	1,733,511	795,261
Total operating expenses	<u>40,136,645</u>	<u>17,509,768</u>
Less: Charged to Management Services	<u>586,000</u>	<u>401,031</u>
Net operating expenses	<u>39,550,645</u>	<u>17,108,737</u>
Interest on term debt (including amortization of discount and premium on debentures)	94,584,381	42,130,950
Provision for losses on loans and investments ..	19,931,707	5,799,005
	<u>154,066,733</u>	<u>65,038,692</u>
Balance of income transferred to retained earnings	\$ <u>2,176,357</u>	\$ <u>3,618,202</u>

Management Services

	1977	(6 months) 1976
Salaries and employee benefits	\$2,033,992	\$ 462,345
Staff travel and transfers	308,694	56,968
Rental and other expenses - leased premises	210,101	50,335
Publicity	176,088	85,768
Office supplies and expenses	129,835	26,893
Training Seminars	358,191	213,035
Training and Information Services publications ..	697,026	146,403
CASE counselling fees	731,928	205,280
All other operating expenses	589,064	121,479
	<u>5,234,919</u>	<u>1,368,506</u>
Charged by Financial Services	<u>586,000</u>	<u>401,031</u>
Total expenditures	<u>5,820,919</u>	<u>1,769,537</u>
Less: Revenue from CASE counselling, Training Seminar registration, etc.	<u>327,723</u>	<u>69,233</u>
Amount recovered from the Department of Industry, Trade and Commerce Vote 60 (vote 70B in 1976)	<u>\$5,493,196</u>	<u>\$1,700,304</u>
Total expenditures were incurred as follows:		
Management Counselling	\$1,619,940	\$ 412,202
Management Training	1,163,840	333,688
Information Services	1,248,717	306,594
Administration	760,012	250,739
Capital expenditures	442,410	65,283
	<u>5,234,919</u>	<u>1,368,506</u>
Charged by Financial Services	<u>586,000</u>	<u>401,031</u>
	<u>\$5,820,919</u>	<u>\$1,769,537</u>

Other Financial Statements for the year ended March 31, 1977

Statement of Retained Earnings

	1977	(6 months) 1976
Balance, beginning of period	\$41,358,318	\$37,740,116
Balance of income for the period	<u>2,176,357</u>	<u>3,618,202</u>
Balance, end of period	<u>\$43,534,675</u>	<u>\$41,358,318</u>

Statement of accumulated provision for possible future losses on loans and investments

Balance, beginning of period	\$31,000,000	\$26,800,000
Add:		
Recovery of amounts previously written off ...	152,770	72,818
Provision for losses for the period	<u>19,931,707</u>	<u>5,799,005</u>
	<u>20,084,477</u>	<u>5,871,823</u>
	51,084,477	32,671,823
Less: Amounts written off during the period	<u>4,084,477</u>	<u>1,671,823</u>
Balance, end of period	<u>\$47,000,000</u>	<u>\$31,000,000</u>

Statement of Changes in Cash Position

	1977	(6 months) 1976
Source of cash:		
Loans from Canada	\$501,000,000	\$108,000,000
Capital paid in by Canada	19,000,000	10,000,000
Repayments by borrowers	<u>231,760,665</u>	<u>95,654,329</u>
	551,760,665	213,654,329
Net income	2,176,357	3,618,202
Items not requiring an outlay of cash -		
Increment in accumulated provision		
for possible future losses	16,000,000	4,200,000
Depreciation of fixed assets	705,930	306,662
Net changes in accrued interest	(2,252,177)	21,568,234
Cash provided from operations	<u>16,630,110</u>	<u>29,693,098</u>
	568,390,775	243,347,427
Application of cash:		
Disbursements to borrowers and investees	369,421,264	197,422,961
Repayment of maturing debentures	171,500,000	39,500,000
Repayment of maturing notes	13,000,000	-
Other	<u>2,990,450</u>	<u>719,874</u>
	556,911,714	237,642,835
Net increase in cash position	\$ 11,479,061	\$ 5,704,592
Increase in cash and Government of Canada		
Treasury Bills	\$ 9,103,045	\$ 7,326,909
Add: Decrease (increase) in cheques		
outstanding	<u>2,376,016</u>	<u>(1,622,317)</u>
	\$ 11,479,061	\$ 5,704,592

Statement of Assets and Liabilities as at March 31

Assets

	1977	1976
Cash	\$ 1,120,019	\$ 1,382,537
Government of Canada Treasury Bills	27,303,275	17,937,712
	28,423,294	19,320,249
Loans (Note 2)	1,408,381,803	1,274,256,611
Investments, at cost (Note 2)	6,281,388	2,745,981
	1,414,663,191	1,277,002,592
Interest due and accrued	14,662,493	9,657,564
	1,429,325,684	1,286,660,156
Less: Accumulated provision for possible future losses	47,000,000	31,000,000
	1,382,325,684	1,255,660,156
Fixed assets at cost, less accumulated depreciation	2,468,625	2,082,852
Other assets	4,041,172	930,501

APPROVED BY THE BOARD:

S. Kanee, _____ Director

J. R. Murray, _____ Director

\$1,417,258,775 \$1,277,993,758

Liabilities

	1977	1976
Cheques outstanding	\$ 12,686,670	\$ 15,062,686
Accrued interest on debentures	25,203,500	30,342,906
Accrued interest on notes	10,459,855	2,567,697
Other liabilities	3,443,109	1,747,408
	51,793,134	49,720,697
Debentures outstanding (Note 4)	816,800,000	988,300,000
Debenture premium and discount less amortization	1,130,966	1,614,743
	817,930,966	989,914,743
Notes held by Canada (Note 5)	396,000,000	108,000,000
Capital:		
Capital paid in by Canada under the Federal Business Development Bank Act	108,000,000	89,000,000
Retained earnings, per statement attached	43,534,675	41,358,318
	151,534,675	130,358,318

\$1,417,258,775 \$1,277,993,758

Auditor's Report

The Honourable Minister of Industry,
Trade and Commerce,
Ottawa, Ontario.

Sir:

I have examined the statement of assets and liabilities of the Federal Business Development Bank as at March 31, 1977 and the statements of operations, retained earnings, changes in cash position and accumulated provision for possible future losses on loans and investments for the year then ended. My

examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present a true and fair view of the financial position of the Bank as at March 31, 1977 and the results of its operations, the changes in its cash position and the changes in the accumulated provision for possible future losses on loans and investments for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

I further report that, in my opinion, proper books of account have been kept by the Bank, the financial statements are in agreement therewith and the transactions that have come under my notice have been within the statutory powers of the Bank.

Yours very truly,

Raymond J. Morcel, C.A.
of Price Waterhouse & Co.
Montreal, Quebec
May 4, 1977

Notes to Financial Statements as at March 31, 1977

1. Significant Accounting Policies:

Loans and Investments

Loans and investments are recorded as assets when disbursed. Each loan remains as an asset until it is repaid or until realization of its security. Each investment remains as an asset until it is sold or written off. Losses on loans and investments are provided for as described in the following paragraph.

Provision for losses on loans and investments

A charge against income is made to cover amounts written off on loans and investments during the period. In addition, a provision is established to provide for future losses. This provision includes a component which, on the basis of historical loss experience, covers future losses not yet identified, and also a component to provide for specifically identified probable losses.

Revenue recognition

Interest on loans is recorded as income on an accrual basis except that interest is not accrued on loans where the Bank has taken possession of the assets pledged as security.

2. Amounts not disbursed at March 31, 1977 on loans and investments authorized were approximately \$111,000,000 (1976 - \$121,000,000).

3. The Bank is contingently liable as guarantor of loans aggregating \$146,250.

4. Debentures issued to and held by the Bank of Canada at March 31, 1977 were as follows:

Rate %	Maturities by Fiscal Year (in thousands of dollars)					Total
	1978	1979	1980	1981	1982	
6-6 ⁷ / ₈	\$ 66,800	\$ 6,000	\$ -	\$ -	\$ -	\$ 72,800
7-7 ⁷ / ₈	71,700	127,800	78,400	51,400	44,200	373,500
8-8 ⁷ / ₈	10,700	15,400	70,400	40,000	39,800	176,300
9-9 ⁷ / ₈	22,400	22,300	22,300	79,600	47,600	194,200
	<u>\$171,600</u>	<u>\$171,500</u>	<u>\$171,100</u>	<u>\$171,000</u>	<u>\$151,600</u>	<u>\$816,800</u>

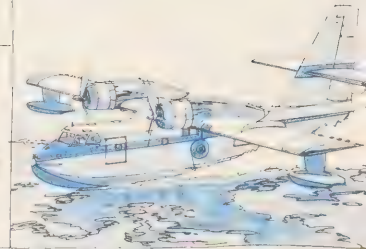
5. Notes held by Canada at March 31, 1977 were as follows:

Rate %	Maturities by Fiscal Year (in thousands of dollars)						Total
	1978	1979	1980	1981	1982	1983 through 1985	
8-8 ⁷ / ₈	\$ 5,000	\$ 4,000	\$ 5,000	\$ 4,000	\$ 4,000	\$ 5,000	\$ 25,000
9-9 ⁷ / ₈	46,000	46,000	48,000	48,000	47,000	156,000	371,000
	<u>\$51,000</u>	<u>\$50,000</u>	<u>\$51,000</u>	<u>\$52,000</u>	<u>\$51,000</u>	<u>\$141,000</u>	<u>\$596,000</u>

6. The Bank maintains a Pension Fund for its employees which is contributory, trustee and funded. According to the latest independent actuarial valuation, which was conducted as of December 31, 1976, an experience deficiency of \$1,259,800 arose during 1976. This deficiency, together with interest, is to be funded and charged to operations over a period not to exceed the next five years.

7. As at March 31, 1977 the Bank had fifteen directors (fourteen in 1976) and ten senior officers (nine in 1976). One senior officer retired in February 1977. Remuneration of \$59,500 (\$27,875 for 6 months in 1976) was paid to the ten directors selected from outside the public service of Canada. Remuneration of \$453,573 (\$207,387 for 6 months in 1976) was paid to the senior officers. One senior officer is also a director.

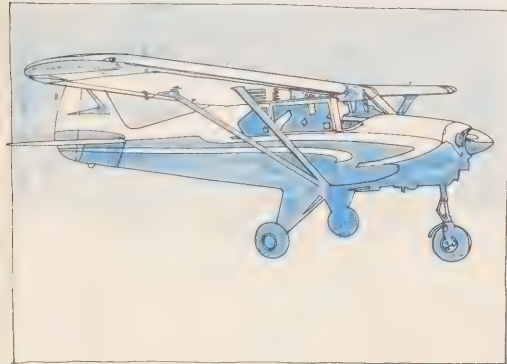
Commercial Air Services



● FBDB customers in commercial air services industry

The Bank and its predecessor, Industrial Development Bank, have contributed significantly to financing the development of commercial air services in Canada. Over the past 25 years they have loaned a total of some \$55 million to the industry. These loans helped finance the early stages of growth of all the present regional carriers in the country. Today one fifth of Canada's air carriers, excluding national and regional carriers, are customers of the Bank.

Following World War II, civil aviation in Canada expanded rapidly. Air force veterans and others started flying operations



using war surplus planes. They provided essential communication to innumerable locations in the north and isolated areas of Canada. They helped locate new resources and carried men and materials to build the dams, plants, and other facilities needed to extract the resources. They participated in the construction and maintenance of defence installations such as the Mid-Canada Line and Distant Early Warning Line. They expanded the transportation system of the

nation and so contributed to its economic growth.

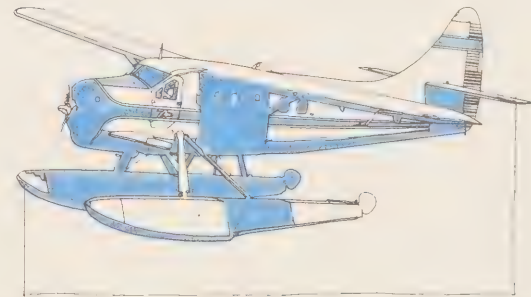
Around 1950, many smaller operators needed to replace obsolete aircraft and acquire additional equipment to meet the demands for their services. While a number of operators had reached a balanced position between current costs and revenues, many of them had not built up reserves to finance purchases of new equipment and in numerous cases their capital position was weak.

The financing to replace and add to their equipment was not readily available from conventional sources in view of the risky nature of the operations. To help meet the problem, the Industrial Development Bank Act was amended in 1952 to permit the IDB to lend to commercial air services. Two years later, 10% of the operators owning over 10% of the licensed commercial aircraft in Canada were IDB customers.

The number of customers continued to grow. One which started as a bush flying operation in the far north obtained several IDB loans to enable the business to enlarge its fleet and expand its services. Today, this company is an important carrier in Canada and abroad. Other firms used IDB funds to acquire larger, more efficient aircraft which permitted them to carry heavier payloads such as the 11,000 pound earth mover which was flown north from Churchill, Manitoba in 1957 to help build an airstrip in the Northwest Territories. The Bank's loans were also used to build hangars, construct new airfields, and for related aviation purposes. By the turn of this decade some of these early IDB customers had been assisted by the Bank to the point where they were well established and could obtain

required financing from other sources on reasonable terms and conditions.

The loans by IDB and FBDB ranged in size from \$10,000 to \$5 million and helped purchase aircraft from the smallest type to a Boeing 707. The first customer borrowed



\$250,000 in 1952. Today, there are 140 businesses in the commercial air services industry with some \$10,000,000 in loans from the Bank.

These customers of the Bank are located across the country, see map opposite. Some provide mail and ambulance services to isolated communities. Some operate training schools for fledgling pilots. One operates a scheduled seaplane service between two large cities. Some do aerial dusting of crops. Others fly sportsmen to fishing camps in the wilderness. Most of them move people and freight quickly to locations which are not readily accessible by boat, road, or rail.

This type of venturesome financing to small, pioneering businesses symbolizes the role of FBDB.

Loan approvals

Classification by new or existing borrowers:	Number during fiscal years:						Amount (\$000) during fiscal years:					
	ended September 30				ended March 31		ended September 30				ended March 31	
	1972	1973	1974	1975	1976	1977	1972	1973	1974	1975	1976	1977
To new borrowers	4,349	5,716	7,109	6,775	7,187	6,624	194,484	251,356	344,718	298,062	329,550	311,792
To existing borrowers	1,540	2,145	2,603	2,686	2,901	2,687	67,826	93,442	125,303	103,342	125,103	112,284
Total	5,889	7,859	9,712	9,461	10,088	9,311	262,310	344,798	470,021	401,404	454,653	424,076
Classification by size:												
\$ 5,000 or less	242	374	402	461	473	497	1,016	1,521	1,695	1,920	1,945	2,025
Over 5,000 to 25,000	2,617	3,365	4,010	4,127	4,339	3,830	41,205	52,736	63,443	64,456	68,226	59,957
Over 25,000 to 50,000	1,739	2,347	2,901	2,802	2,982	2,812	65,596	88,198	109,593	106,093	113,710	106,372
Over 50,000 to 100,000	903	1,251	1,602	1,453	1,582	1,475	66,138	92,832	121,237	109,954	119,073	109,888
Over 100,000 to 200,000	276	383	612	501	516	501	40,956	55,834	91,908	73,231	75,386	73,088
Total up to \$200,000	5,777	7,720	9,527	9,344	9,892	9,115	214,911	291,121	387,876	355,654	378,340	351,330
Over \$200,000	112	139	185	117	196	196	47,399	53,677	82,145	45,750	76,313	72,746
Total	5,889	7,859	9,712	9,461	10,088	9,311	262,310	344,798	470,021	401,404	454,653	424,076
Average size							45	44	48	42	45	46
Classification by Province:												
Newfoundland	149	197	245	314	346	304	4,892	6,993	8,121	9,251	9,959	7,896
Prince Edward Island	46	83	77	57	65	66	1,236	2,551	2,453	1,561	1,654	2,201
Nova Scotia	186	260	262	369	435	428	5,686	7,427	8,289	10,993	12,079	11,422
New Brunswick	142	224	284	286	341	345	5,039	9,059	12,959	9,766	10,780	10,877
Quebec	1,085	1,383	1,652	1,459	1,721	1,725	59,049	71,799	85,701	70,491	92,082	100,660
Ontario	1,568	1,789	2,391	2,507	2,629	2,505	65,124	75,336	110,850	102,311	114,279	104,658
Manitoba	151	179	248	208	222	204	8,091	8,404	12,941	11,594	12,247	8,530
Saskatchewan	140	178	246	205	226	271	5,179	7,134	10,736	9,019	11,293	15,465
Alberta	436	646	1,067	957	1,033	963	18,281	26,458	47,724	39,462	45,530	52,476
British Columbia	1,928	2,835	3,159	3,019	2,979	2,446	85,683	124,332	165,713	132,746	139,862	104,171
Yukon	42	47	40	29	30	25	2,905	2,735	2,751	2,278	2,218	3,903
Northwest Territories	16	38	41	51	61	29	1,145	2,570	1,783	1,932	2,670	1,817
Total	5,889	7,859	9,712	9,461	10,088	9,311	262,310	344,798	470,021	401,404	454,653	424,076

Classification of loan approvals by type of business

	Number during fiscal years:						Amount (\$000) during fiscal years:					
	ended September 30				ended March 31		ended September 30				ended March 31	
	1972	1973	1974	1975	1976	1977	1972	1973	1974	1975	1976	1977
Manufacturing:												
Foods and beverages	175	164	164	162	163	184	10,880	9,642	12,428	11,052	13,810	13,080
Rubber products	16	12	5	5	9	1	1,616	684	450	245	619	50
Leather products	21	18	14	11	16	18	908	651	426	467	1,043	693
Textile products (except clothing)	32	27	31	43	36	33	4,526	1,854	2,781	2,478	2,374	1,332
Clothing (textiles and fur)	50	70	54	46	64	57	2,521	2,931	2,849	1,464	2,802	2,770
Wood products	274	287	343	303	309	334	19,125	16,595	25,635	14,224	14,754	17,735
Paper products (including pulp)	28	31	27	22	26	26	1,636	3,301	1,270	1,758	5,282	1,354
Printing and allied industries	107	140	158	171	201	151	3,040	3,676	4,929	4,667	6,495	4,619
Iron and steel products (including machinery and equipment)	283	341	444	418	460	399	14,088	19,140	24,032	19,772	21,004	20,551
Transportation equipment	49	100	88	64	85	82	2,499	6,629	7,341	2,701	6,139	5,744
Non-ferrous metal products	7	11	18	16	10	11	187	521	1,123	784	488	273
Electrical apparatus and supplies	31	27	51	52	44	53	1,329	1,343	2,365	2,415	2,422	2,137
Non-metallic mineral products	60	67	86	93	100	92	3,983	3,000	5,208	5,433	5,481	4,442
Chemical products	35	44	47	37	43	37	1,802	2,344	2,242	2,368	1,926	2,118
Miscellaneous manufacturing industries	126	156	159	196	180	167	4,619	7,359	6,814	8,836	8,283	10,343
Commercial air services	40	45	34	62	57	47	3,532	2,208	2,152	3,695	3,804	2,561
Warehousing (including refrigeration) ..	14	10	8	8	11	21	1,808	1,107	640	538	557	3,183
Other transportation and storage	123	212	238	255	265	229	4,837	9,036	13,894	10,104	10,915	9,242
Electric power, gas, water utilities	10	15	23	27	40	13	209	349	972	790	1,475	558
Mines (incl. milling), quarries, oil wells .	29	29	45	41	50	36	2,226	1,163	2,433	1,896	2,938	3,087
Construction	298	422	521	561	570	440	9,606	16,676	19,719	20,240	22,327	18,334
Industrial buildings	357	529	558	504	507	456	18,144	27,932	36,702	33,153	34,505	32,536
Personal services	60	67	89	104	108	89	1,704	1,650	2,657	2,766	2,899	2,324
Forestry	30	89	89	70	77	75	1,170	2,593	2,685	2,061	2,630	2,515
Wholesale trade	338	390	547	471	513	518	16,993	19,282	31,503	22,289	25,450	24,519
Retail trade	1,247	1,759	2,329	2,519	2,878	2,790	39,756	57,703	80,150	79,836	97,991	94,717
Education and health services	63	80	93	77	78	57	2,738	3,350	4,550	5,379	6,026	2,768
Recreation services	99	113	134	132	132	108	5,699	5,207	8,471	7,083	7,582	7,249
Services to business management	78	93	180	203	205	174	2,154	2,866	6,017	7,089	8,230	6,524
Miscellaneous services	112	211	252	267	259	277	3,309	6,357	8,809	7,394	7,774	7,999
Agriculture	416	545	844	639	598	474	16,479	22,719	38,815	28,374	26,211	23,742
Fishing and trapping	31	33	59	56	71	42	810	691	2,347	1,849	2,169	1,642
Communications	12	12	18	23	22	13	787	314	928	1,107	1,583	643
Laundries, cleaners and pressers	99	149	150	154	174	148	2,894	4,065	4,095	4,539	5,021	5,056
Restaurants and other eating places	599	834	1,051	1,088	1,145	1,148	21,720	33,070	46,636	45,101	49,205	52,241
Hotels, motels and other lodgings	511	680	691	494	520	446	31,920	44,949	50,910	55,230	40,001	51,950
Theatres, bowling alleys, billiard halls ..	29	47	70	67	62	65	1,056	1,841	5,043	2,227	2,438	3,465
	5,889	7,859	9,712	9,461	10,088	9,311	262,310	344,798	470,021	401,404	454,653	424,076

Provincial distribution of accounts

	at March 31, 1977	
	Number of busi- nesses	Amounts out- standing (\$000)
Newfoundland	880	28,873
Prince Edward Island	259	7,710
Nova Scotia	1,158	32,242
New Brunswick	962	34,052
Quebec	5,897	299,185
Ontario	8,461	337,807
Manitoba	847	36,844
Saskatchewan	901	37,355
Alberta	3,349	135,604
British Columbia	8,950	447,830
Yukon	131	9,985
Northwest Territories	130	7,113
Total	<u>31,925</u>	<u>\$1,414,600</u>

Summary statistics of accounts

<i>(Millions of Dollars)</i>	For fiscal years:					
	ended September 30				ended March 31	
	1972	1973	1974	1975	1976	1977
Disbursements to borrowers	194.0	274.9	404.9	356.7	372.9	369.4
Repayments by borrowers including principal written off (net)	125.9	154.0	151.8	169.0	188.8	231.8
Increase in amounts outstanding	68.1	120.9	253.1	187.7	184.1	137.6
Amounts outstanding at year-end	609.6	730.5	983.6	1,171.3	1,277.0	1,414.6
Amounts not yet disbursed at year-end	108.1	137.5	148.9	132.8	120.6	110.7
Amounts outstanding plus undisbursed at year-end	717.7	868.0	1,132.5	1,304.1	1,397.6	1,525.3
Number of customers on the books at year-end	16,075	19,142	23,550	27,508	29,274	31,925
Average amount outstanding plus undisbursed per customer (thousands of dollars)	45	45	48	47	48	48

Officers

President	J. R. Murray	Montreal
Executive Vice-President	G. A. Lavigueur	Montreal
General Manager, Loans	H. J. Russell	Montreal
General Manager, Administration	G. Bourbonnière	Montreal
General Manager, Branch Operations	E. A. Bell	Montreal
General Manager, Corporate Development	J. E. Nordin	Montreal
General Manager, Management Services	E. C. Scott	Montreal
General Manager, Personnel	I. D. MacLaren	Montreal
General Manager, Atlantic Region	H. W. Baker	Halifax
General Manager, Quebec Region	J. Y. Milette	Montreal
General Manager, Ontario Region	K. A. Powers	Toronto
General Manager, Prairie and Northern Region	R. H. Wheeler	Winnipeg
General Manager, British Columbia Region	J. E. Millard	Vancouver
Secretary	P. F. Limoges	Montreal
Assistant Secretary	M. Naggar	Montreal
Auditor	J. B. Lane	Montreal
Assistant Auditor	N. Robinson	Montreal

Head Office, Montreal

Controller's Department
Controller: R. L. McLean
Deputy Controller: J. O. Skerry
Assistant Controllers: N. W. Bourgoin,
G. D. Cain, J. R. Dupuis,
A. Thisdel
Senior Accounting Assistant: J. Julien

Credit Department
Superintendent: J. B. S. Oldaker
Assistant Superintendents: J. A. Boudreau,
R. E. Harriman

Data Processing Systems Department
Manager: R. A. Fauvel
Assistant Managers: A. Gheriani, J. R. Jacob,
R. Lavoie
Data Centre Officer: A. Nasra

Economics and Statistics Department
Economist: S. Moreau

Engineering Department
Chief Engineer: A. Mackie

Information Department
Information Officer: J. W. Sivers

Inspection Department
Chief Inspector: J. T. Horne
Deputy Chief Inspectors: J. E. Evans (Calgary);
J. P. Roberts
Inspectors: C. W. Chidley (Calgary); M. Dépot,
J. A. Sutherland, P. West

Insurance Department
Superintendent: K. J. H. Pasqual
Assistant Superintendent: H. Montbriand
Senior Insurance Officer: N. Cahill

Investment Department
Assistant Superintendent,
Investments: K. R. Miller

Legal Department
General Solicitor: D. R. Urquhart
Assistant General Solicitors: A. Bahary,
C. G. M. Winslow

Management Services Department
Directors: R. Bilodeau, G. H. Bourque
Assistant Directors: H. Barsoum, J. Longman,
C. P. Scodras

Methods and Procedures
Superintendent: R. T. Mactavish
Senior Methods Officer: N. Ragbir

Office Services Department
Manager: G. R. d'Artois

Personnel Department
Superintendent: C. L'Espérance
Assistant Superintendents: J. Y. Bernier,
W. Forman,
D. L. Lockerby
Training Director: J. T. D. Mulqueen
Personnel Officer: G. D. Schneider
Assistant Personnel Officer: J. Sutton

Premises and Supply Department
Superintendent: R. J. Lafond
Assistant Superintendents: R. W. Gosselin,
R. R. Ritchie

Records Department
Manager: H. Shantz

Research Department (Ottawa)
Director: L. E. Barclay
Assistant Director: T. J. Dettman

Special Assistants
Administration: P. M. Bourassa
Corporate Development: H. P. Carmichael

Translation Department
Manager: S. Bernier

Atlantic Region

Officers (continued)

Type of business	Loans Authorized in years ended March 31			
	1976		1977	
	No.	Amount (\$000)	No.	Amount (\$000)
Manufacturing	106	3,383	93	2,696
Wholesale and retail trade	576	14,768	620	16,408
Tourist industry	244	7,976	217	7,254
Agriculture	6	143	5	227
Construction	83	2,463	45	996
Rental properties	28	1,273	39	1,534
Transportation & storage	29	1,113	14	352
Other	115	3,353	110	2,929
Total	1,187	\$34,472	1,143	\$32,396

Management services in the Atlantic Region in fiscal year 1977:

CASE counselling – inquiries	810
– assignments	556
Management trainings seminars	107
Information service re assistance programs – inquiries	1,945

Atlantic Regional Office Suite 1400, Cogswell Tower, Scotia Square, Halifax, N.S.

General Manager: H.W. Baker

Supervisor: J.G. Kenna

Assistant Supervisors: J.P. Michaud, R.M. Williams

Assistant Supervisor, Personnel: A. Highet

Regional Engineer: D.M. Baker

Regional Solicitor: G.P. Bauchman

Regional Director of Management Services: M.F. Clooney

Regional Counsellor: E.G. Jopling

Regional Training Officer: T.V. McDonnell

Administration Officer: T.F. Clahane

Branches:

St. John's	<i>Manager:</i> G.W. Kyte <i>Assistant Manager:</i> S.M. McKinnon	Viking Building, Crosbie Road
Grand Falls	<i>Manager:</i> L.P. Elliott	42 High Street
Corner Brook	<i>Manager:</i> K.E.S. Mercer	Corner Brook Plaza, Trans Canada Highway
Halifax	<i>Manager:</i> M.J. Walsh <i>Assistant Manager:</i> F.J. Power	Trade Mart, 2021 Brunswick Street
Sydney	<i>Manager:</i> D.G. Fitzgerald	48–50 Dorchester Street
Bridgewater	<i>Manager:</i> F.D. Parsons	655 King Street
Truro	<i>Manager:</i> E.K. Harding	CN Commercial Centre 34 Esplanade Street
Saint John	<i>Manager:</i> J.J. Ryan	75 Prince William Street
Fredericton	<i>Manager:</i> R.D. Artz <i>Assistant Manager:</i> J.F. Lemoine	Kings Place Complex, 440 King Street
Moncton	<i>Manager:</i> D.G. Fulton	860 Main Street
Bathurst	<i>Manager:</i> T.A. Gallant	270 Douglas Avenue
Charlottetown	<i>Manager:</i> G.F. Dickson	137 Kent Street

Quebec Region

Officers (continued)

Loans Authorized in years ended March 31

Type of business	1976		1977	
	No.	Amount (\$000)	No.	Amount (\$000)
Manufacturing	463	29,554	483	34,956
Wholesale and retail trade	531	23,185	572	25,637
Tourist industry	368	21,914	331	19,710
Agriculture	27	1,567	28	3,491
Construction	75	3,625	74	2,939
Rental properties	61	3,424	62	4,708
Transportation & storage	47	2,803	39	2,539
Other	149	6,010	136	6,680
Total	<u>1,721</u>	<u>\$92,082</u>	<u>1,725</u>	<u>\$100,660</u>

Management services in the Quebec Region in fiscal year 1977:

CASE counselling-inquiries	630
- assignments	418
Management training seminars	110
Information service re assistance programs - inquiries	2,200

Quebec Regional Office Suite 4600, Place Victoria, 800 Victoria Square, Montreal

General Manager: J.Y. Milette

Supervisors: J. Lagacé, J.R. Leduc

Assistant Supervisors: P.H. Johnson, P.M. Malépart, J.C. Martin

Assistant Supervisor, Personnel: R. Leahey

Regional Engineer: R. Bernaquez

Assistant Regional Engineer: N. Gariepy

Regional Solicitor: R. Gauthier

Assistant Regional Solicitors: A. Koch, J.Y. Monfette

Regional Director of Management Services: G.W. Madore

Manager, Information and Training, Management Services: G. Léonard

Investment Manager: R.A. Moxness

Administration Officer: J.P. Dubeau

Branches:

Sept-Iles	<i>Manager:</i> N. Lancup	690 Laure Blvd.
Rimouski	<i>Manager:</i> J.G. Germain <i>Assistant Manager:</i> D. Blouin	320 St. Germain St. East
Chicoutimi	<i>Manager:</i> M. Bégin	475 des Champs Elysées St.
Quebec	<i>Manager:</i> J.A. Dugas <i>Assistant Managers:</i> J.P. Hébert, M. Tremblay	925 Chemin St. Louis
Lévis	<i>Manager:</i> J. Bigaouette	113 St. Georges Street West
Trois-Rivières	<i>Manager:</i> R. Pépin	550 Bonaventure Street
Drummondville	<i>Manager:</i> L. Provencher	228 Hériot Street
Sherbrooke	<i>Manager:</i> R. Bergeron <i>Assistant Manager:</i> G. Perrin	2532 King Street West
Granby	<i>Manager:</i> C. Lampron	161 rue Principale
Longueuil	<i>Manager:</i> J.D. Casavant <i>Assistant Manager:</i> S.Y. Joubert	Complexe Bienville 1000 de Serigny Street
Valleyfield	<i>Manager:</i> G.P. Brunelle	85 Champlain Street
Montreal	<i>Manager:</i> R. Trudeau <i>Assistant Managers:</i> G. Choinière, R. Cosma	Suite 1008 Place Victoria, 800 Victoria Square
Montreal	<i>Manager:</i> C.M. Létourneau	Suite 205 Place Frontenac 2600 Ontario Street East (to be opened shortly)
LaSalle	<i>Manager:</i> M.D. Légaré	750 Laurentien Blvd.
St-Laurent	<i>Manager:</i> B. Hryniewski <i>Assistant Manager:</i> A.J. Hudson	5960 Jean-Talon St. East
St-Léonard	<i>Manager:</i> J.M. Boucher <i>Assistant Manager:</i> S. Bayer	(to be opened shortly)
Laval	<i>Manager:</i> C. Tellier	Galeries des Laurentides St-Antoine des Laurentides
St-Jérôme	<i>Manager:</i> M. Bourret <i>Assistant Manager:</i> A. Maccabée	147 Mercier Avenue, Rouyn
Rouyn-Noranda	<i>Manager:</i> J. Lemay <i>Assistant Manager:</i> R. Poirier	Plaza Val Tétreau, 400 Alexandre Taché Blvd.
Hull	<i>Manager:</i> F. Roy	

Ontario Region

Officers (continued)

Loans Authorized in years ended March 31

Type of business	1976		1977	
	No.	Amount (\$000)	No.	Amount (\$000)
Manufacturing	601	29,541	546	24,169
Wholesale and retail trade	891	32,291	874	30,559
Tourist industry	430	21,034	463	22,457
Agriculture	128	5,749	114	5,179
Construction	152	5,847	120	5,922
Rental properties	84	5,580	82	5,089
Transportation & storage	55	2,373	67	3,655
Other	288	11,864	239	7,628
Total	2,629	\$114,279	2,505	\$104,658

Management services in the Ontario Region in fiscal year 1977:

CASE counselling—inquiries	817
—assignments	526
Management training seminars	136
Information service re assistance programs —inquiries	4,584

Ontario Regional Office	250 University Avenue, Toronto
<i>General Manager:</i> K.A. Powers	
<i>Supervisors:</i> C.R.T. Bingley, K.K. Hay-Roe	
<i>Assistant Supervisors:</i> E.T. Brignall, J.G. Wilson	<i>Assistant Supervisor, Personnel:</i> W.Y. Torrance
<i>Regional Engineer:</i> C.H. Cleghorn	<i>Regional Legal Officer:</i> B.K. Grafen
<i>Regional Director of Management Services:</i> B.B. Baron	
<i>Regional Counsellor:</i> J.R. Bernard	<i>Regional Training Officer:</i> J.D. Carruthers
<i>Investment Manager:</i> J.A. Martin	<i>Administration Officer:</i> R.J. Collins
Branches:	
Ottawa	<i>Manager:</i> F.T. Watters <i>Assistant Manager:</i> J.P. Houle 151 Sparks Street
Kingston	<i>Manager:</i> J.A. Clinton 797 Princess Street
Oshawa	<i>Manager:</i> K.W. Bolam <i>Assistant Manager:</i> W.S. Beatty 22 King Street West
Toronto	<i>Manager:</i> D.C. Sedgwick <i>Assistant Managers:</i> N.N. Bacchus, L.P. Hancey 204 Richmond Street West
Etobicoke	<i>Manager:</i> E. Wilk Valhalla Executive Centre, 302 The East Mall, Islington
Scarborough	<i>Manager:</i> R.J. Clinchy 2978 Eglinton Avenue East
Toronto-North	<i>Manager:</i> J.H. Miller <i>Assistant Manager:</i> E.D. McCrindell 4430 Bathurst Street, Downsview
Barrie	<i>Manager:</i> I.A. Smith <i>Assistant Manager:</i> W. Stoof 70 Collier Street
Oakville	<i>Manager:</i> R.V. Crank <i>Assistant Manager:</i> J.F. Parnell 345 Lakeshore Road East
Hamilton	<i>Manager:</i> C.A. Graham <i>Assistant Manager:</i> A.C. Giggins 8 Main Street, East
St. Catharines	<i>Manager:</i> R.J. Kenny <i>Assistant Manager:</i> J.I. McKiernan 71 King Street
Kitchener-Waterloo	<i>Manager:</i> J.R. Sugden <i>Assistant Manager:</i> M.W. Gallow 305 King Street West, Kitchener
Owen Sound	<i>Manager:</i> G.J. Marshall 1139 Second Avenue East
London	<i>Manager:</i> T.G. Gilmour <i>Assistant Manager:</i> H.G. Basler 197 York Street
Woodstock	Sub-branch to London 430 Dundas Street
Stratford	<i>Manager:</i> K.R. Elliott <i>Assistant Manager:</i> W.J.H. Prest 1036 Ontario Street
Chatham	<i>Manager:</i> R.A. Lewis 59 Adelaide Street, South
Windsor	<i>Manager:</i> M.A. Renfrew <i>Assistant Manager:</i> C.M. Thurgood 500 Ouellette Avenue
Northern Ontario District Office	<i>Supervisor:</i> W.H. Jay <i>Assistant Supervisor:</i> R.W. Jesshope Station Tower, 421 Bay Street, Sault Ste-Marie
Sudbury	<i>Manager:</i> R.M. Jack <i>Assistant Manager:</i> K.D. Brodthagen 96 Larch Street
Timmins	<i>Manager:</i> J.C. Bru 83 Algonquin Blvd. West
Sault Ste-Marie	<i>Manager:</i> K.G. Hopper 452 Albert Street, East
Thunder Bay	<i>Manager:</i> R.L. Frizell <i>Assistant Manager:</i> A. MacKay 106 Centennial Square
Kenora	<i>Manager:</i> M. Fostyk 20 Main Street South

Prairie and Northern Region

Loans Authorized in years ended March 31				
1976		1977		
Type of business	No.	Amount (\$000)	No.	Amount (\$000)
Manufacturing	221	10,672	181	9,306
Wholesale and retail trade	489	19,565	492	21,106
Tourist industry	222	16,050	254	20,351
Agriculture	213	8,620	167	7,906
Construction	107	4,654	87	4,598
Rental properties	65	3,812	82	7,464
Transportation & storage	69	3,567	60	3,702
Other	186	7,018	169	7,758
Total	1,572	\$73,958	1,492	\$82,191

Management services in the Prairie and Northern Region in fiscal year 1977:

CASE counselling – inquiries	977
– assignments	577
Management training seminars	81
Information service re assistance programs – inquiries	822

Officers (continued)

Prairie & Northern Regional Office		161 Portage Avenue, Winnipeg
<i>General Manager:</i> R.H. Wheeler		
<i>Supervisor:</i> D.A. Kerley		
<i>Assistant Supervisors:</i> M.D. Rudkin, C.V. Spielman		
<i>Assistant Supervisor, Personnel:</i> R.C. Allison		<i>Regional Engineer:</i> D.G. McCrae
<i>Regional Solicitor:</i> H.K. Olson		<i>Assistant Regional Solicitor:</i> J.W. Hercus
<i>Regional Director of Management Services:</i> D.S. Brown		
<i>Regional Counsellor:</i> D.F. Goodman		<i>Regional Training Officer:</i> R.J. McGregor
<i>Investment Manager:</i> N.C. Oakley		<i>Administration Officer:</i> H.D. Ramsey
Branches:		
Winnipeg	<i>Manager:</i> J.W. Melymick <i>Assistant Manager:</i> B.M. Massier	161 Portage Avenue
St. Boniface	<i>Manager:</i> A.E. de Laforest	851 Lagimodiere Blvd.,
Brandon	<i>Manager:</i> R.L. Gibson	136 – 11th Street
Regina	<i>Manager:</i> G.J. Hiltz <i>Assistant Manager:</i> W.E. Darling	2220 – 12th Avenue
Saskatoon	<i>Manager:</i> W. Schmidt <i>Assistant Manager:</i> M.J. Valentini	1102 CN Towers, Midtown Plaza
Prince Albert	<i>Manager:</i> T.W. Tucker	1100 – 1st Avenue East
Lethbridge	<i>Manager:</i> J.W. Feindel <i>Assistant Manager:</i> J.M. Davis	740 – 4th Avenue, South
Calgary	<i>Manager:</i> D.K. Wiggins <i>Assistant Managers:</i> G.D. Flegel, T.E. Wright	404 Sixth Avenue S.W.
Calgary South	<i>Manager:</i> N.L. Crowe <i>Assistant Manager:</i> B.J. Giesbrecht	5940 Macleod Trail S.W.
Red Deer	<i>Manager:</i> W.L. Hutton <i>Assistant Manager:</i> B.A. Johnson	4909 Gaetz Avenue
Edmonton	<i>Manager:</i> M.T. Collins <i>Assistant Managers:</i> J.W.D. Courchene, R.A. Kerr	10150 – 100th Street
Edmonton South	<i>Manager:</i> L.A. Zachary <i>Assistant Manager:</i> C.M. Bradley	11044 – 51st Avenue
Edmonton West	<i>Manager:</i> H.H. Dashevsky <i>Assistant Manager:</i> A.J. Brockmeyer	11574 – 149th Street
Yellowknife	Sub-branch to Edmonton	5010 – 50th Avenue
Grande Prairie	<i>Manager:</i> L.C. Holmstrom <i>Assistant Managers:</i> G.E. Bacon, P.F. Choropita	10135 – 101 Avenue
Whitehorse	Sub-branch to Grande Prairie	Travelodge Commercial Mall

British Columbia Region

Loans Authorized in years ended March 31				
1976		1977		
Type of business	No.	Amount (\$000)	No.	Amount (\$000)
Manufacturing	381	20,166	342	16,113
Wholesale and retail trade	866	32,478	750	25,527
Tourist industry	538	30,882	437	21,648
Agriculture	224	10,132	160	6,939
Construction	154	5,761	114	3,878
Rental properties	268	20,204	191	13,741
Transportation & storage	133	5,422	117	4,738
Other	415	14,817	335	11,587
Total	<u>2,979</u>	<u>\$139,862</u>	<u>2,446</u>	<u>\$104,171</u>

Management services in the British Columbia Region in fiscal year 1977:

CASE counselling-inquiries	996
-assignments	763
Management training seminars	194
Information service re assistance programs -inquiries	3,464

Officers (continued)

B.C. Regional Office	900 West Hastings Street, Vancouver
<i>General Manager:</i> J.E. Millard	
<i>Supervisors:</i> O.H. Morgan, K.E. Neilson	
<i>Assistant Supervisors:</i> E.A. Duddle, C.B. Ready, R.B. Thomas	
<i>Assistant Supervisor:</i> Personnel: R.A. Paugh	<i>Regional Engineer:</i> G.B.G. Ross
<i>Assistant Regional Engineer:</i> L.H. Lieberman	<i>Regional Solicitor:</i> T.A. James
<i>Assistant Regional Solicitor:</i> W.J. Birney	
<i>Regional Director of Management Services:</i> R.P. Dohan	
<i>Assistant Regional Director of Management Services:</i> G. Kirkwood	
<i>Regional Counsellor:</i> J.T. Melvin	<i>Investment Manager:</i> J.G.T. Wong
<i>Regional Training Officer:</i> R.E. Berze	<i>Personnel Officer:</i> M.H. Morris
<i>Administration Officer:</i> R.E. McMurray	
Branches:	
Cranbrook	<i>Manager:</i> R.M. Leite <i>Assistant Manager:</i> W.H.W. Westlands 30 South 11th Avenue
Kelowna	<i>Manager:</i> M.G.H. O'Reilly <i>Assistant Manager:</i> T.R. King 260 Harvey Avenue
Vernon	<i>Manager:</i> R.S. Keyes <i>Assistant Manager:</i> H.G. Faerber 3303 Coldstream Avenue
Kamloops	<i>Manager:</i> D.H. Van Dusen <i>Assistant Manager:</i> R.G. Newman 235 First Avenue
Williams Lake	<i>Manager:</i> T.W. Graham <i>Assistant Manager:</i> B.B. Nimetz 30 A North, Third Avenue
Prince George	<i>Manager:</i> D.F. Watkins <i>Assistant Managers:</i> J.E. Burnett, R.J. Goulet 1320 Fifth Avenue
Terrace	<i>Manager:</i> M. Kartasheff <i>Assistant Manager:</i> C.R. Cousins 4548 Lakelse Avenue
Chilliwack	<i>Manager:</i> K.E. Phillips <i>Assistant Manager:</i> B.D. Parsons Kamar Plaza, 45850 Yale Road West
Abbotsford	Sub-branch to Chilliwack 2467 Pauline Street
Langley	<i>Manager:</i> F.A. Reiter <i>Assistant Manager:</i> G. Martin 5800 Production Way
New Westminster	<i>Manager:</i> M. Gumprich <i>Assistant Managers:</i> N.L. Smith, J.A. Taggart 227 - 6th Street
Burnaby	<i>Manager:</i> G.C. Hamilton <i>Assistant Manager:</i> T.C. Deeder 4240 Manor Street
Richmond	<i>Manager:</i> J. Penman <i>Assistant Manager:</i> R.A. Groulx 3751 Shell Road
Vancouver	<i>Manager:</i> T.F. Ching <i>Assistant Managers:</i> N.W. Bell, S.A. Bratner 885 Dunsmuir Street
Vancouver-East	<i>Manager:</i> E.J. Popil <i>Assistant Manager:</i> J.S. Russo 3369 Fraser Street
North Vancouver	<i>Manager:</i> D.M. Carter <i>Assistant Manager:</i> B. Kohl 145 West 15th Street
Victoria	<i>Manager:</i> R.W. Gray <i>Assistant Managers:</i> G.K. Gustafson, R.W. Johnston 850 Fort Street
Nanaimo	<i>Manager:</i> H.C. Tomasson <i>Assistant Manager:</i> A.O. Seib 190 Wallace Street
Campbell River	<i>Manager:</i> D.W. Forsyth <i>Assistant Manager:</i> B.H. Willett 906 Island Highway
Courtenay	Sub-branch to Campbell River 497 Fitzgerald Avenue

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Federal Business Development Bank

Annual Report 1978

Annual Report

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FEDERAL
BUSINESS
DEVELOPMENT BANK

HEAD OFFICE
901 VICTORIA SQUARE, MONTREAL, QUE., H2Z 1R1

June 28th, 1978

The Hon. Jack Horner, P.C.,
Minister of Industry, Trade and Commerce,
Ottawa, Ontario.

Dear Mr. Horner:

In accordance with the provisions of the Federal Business Development Bank Act, I enclose my report for the year ended March 31st 1978. Also enclosed is a statement of the Bank's accounts for this period which is signed and approved in the prescribed manner.

Yours truly,

Guy A. Lavigne,
President.

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On peut se procurer la version française de ce rapport dans toute succursale de la Banque.

Board of Directors

D.R. Andrews	Kamloops, B.C.
G.K. Bouey	Ottawa, Ont.
S. Cloutier	Ottawa, Ont.
H.B. Cohen	Calgary, Alta.
*G.J. Desmarais	St. Lambert, Que.
R.F. Fiske	Halifax, N.S.
C.C. Frenette	Montreal, Que.
*G.A. Lavigueur	Montreal, Que.
*J.D. Love	Ottawa, Ont.
H.H. MacKay	Regina, Sask.
*G.F. Osbaldeston	Ottawa, Ont.
R.G. Rankin	London, Ont.
Mrs. Ian J. Reid	St. John's, Nfld.
F.D. Rosebrugh	Willowdale, Ont.
G.R. Sharwood	Toronto, Ont.

*Member of the Executive Committee

Highlights



	Fiscal Years	
	1978	1977
Loans authorized:		
number	9,908	9,311
amount	\$479,324,000	\$424,076,000
Investments authorized:		
number	69	24
amount	\$11,736,000	\$2,316,000
Number of customers at March 31	33,224	31,925
Amount outstanding or committed to customers at March 31	\$1,631,800,000	\$1,525,300,000
CASE (Counselling Assistance to Small Enterprises):		
enquiries received	9,807	4,230
assignments completed	5,472	1,660
Management training seminars:		
number	1,049	628
participants	20,165	12,300
Small business information service:		
referrals to assistance programs	30,397	14,734

On October 2, 1975, the Federal Business Development Bank succeeded the Industrial Development Bank. In this report, statistics for periods prior to that date refer to the operations of the Industrial Development Bank.

Report of the President

The Year in Review

All sectors of operation of the Bank reported increased volume of activity during the fiscal year ended March 31st, 1978. The amount of loans authorized was the highest in the 33 year combined history of the Industrial Development Bank and the Federal Business Development Bank. In addition, equity investments, counselling assignments, management training and information service were all at record levels.

However, the year was a difficult period for a large number of the Bank's customers. The amount of arrears in loan repayments increased markedly. Bank officers spend much time and effort identifying and reviewing with customers the probable causes of their financial difficulties and seeking corrective action.

Financial Results

Net income of \$20,630,107 was generated during the 1978 fiscal year. This was some \$1.5 million below that of the previous fiscal year. The rate of growth of the Bank's earning base was reduced during the year by very large prepayments of existing loans. This suggests that there was a greater availability of funds from other

sources for financing the needs of small businesses.

During the year, an increased number of Bank loans developed particularly serious arrears. It was necessary to write off \$9,731,737 against \$4,084,477 in the previous fiscal year.

In addition to these write-offs, it was necessary to provide a further \$9,000,000 in the specific reserve for identified accounts in difficulty, and a further \$1,000,000 against possible losses on those loan and investment accounts which are not yet showing serious problems.

Services of the Bank

1. Financial Assistance

FBDB authorized 9,908 loans for a total amount of \$479,324,000 in its 1978 fiscal year. The volume of lending was up by 6% in number of loans and 13% in amount over the previous fiscal year. The greatest increase in the rate of lending occurred in the Atlantic Provinces. The volume of lending was also up in Ontario, Manitoba, British Columbia and the Northwest Territories. It remained about the same in Quebec and was down in Saskatchewan, Alberta, and the Yukon.

Type of business	Loans Authorized in years ended March 31st							
	1978				1977			
	No.	%	Amount (\$000)	%	No.	%	Amount (\$000)	%
Manufacturing	1,760	18	\$107,864	22	1,645	18	\$ 87,240	21
Wholesale and retail trade	3,438	35	133,476	28	3,308	35	119,237	28
Tourist industry	1,901	19	109,284	23	1,702	18	91,420	21
Agriculture	354	3	18,001	4	474	5	23,742	5
Construction	578	6	22,683	5	440	5	18,333	4
Rental properties	388	4	26,653	6	456	5	32,536	8
Transportation and storage	358	4	20,235	4	297	3	14,986	4
Other	1,131	11	41,128	8	989	11	36,582	9
	<u>9,908</u>	<u>100%</u>	<u>\$479,324</u>	<u>100%</u>	<u>9,311</u>	<u>100%</u>	<u>\$424,076</u>	<u>100%</u>

At fiscal year-end, the Bank had 33,224 customers with loans and investments outstanding or committed of \$1,631,800,000. This was an increase of 4% in number and 7% in amount over the previous year-end when there were 31,925 customers with a total outstanding or committed of \$1,525,300,000.

The Bank also made 69 equity investments in the year for a total of \$11,736,000. Around 75% of these investments were in manufacturing, and the balance were in service industries. The Bank now has investment commitments totalling \$17,540,000 to 94 companies.

2. Management Services

(a) CASE (Counselling Assistance to Small Enterprises)

This program supplements such management counselling services as may be available in the private sector. Counselling is undertaken by some 1,700 retired business persons who receive assignments from Coordinators located across the country. During the year the Bank received 9,807 enquiries for counselling services and 5,472 assignments were completed, up from 4,230 enquiries and 1,660 assignments completed in the previous

year. Most CASE clients are not borrowers of the Bank.

(b) Management Training

The Bank provides several forms of management training for small business including courses, seminars and other meetings for the promotion of good management practices. The most popular form of training is the one-day seminars held in smaller centres across the country. Subjects covered in the seminars include taxation, cash flow, marketing, cost controls, bookkeeping, etc. 1,049 seminars were held in 1978 up from 628 in fiscal 1977.

The Bank works closely with the Ministries of Education in all provinces and territories in providing courses for the owners and managers of small businesses.

(c) Information Services

The Bank's small business information service provides up-to-date information on the numerous programs of assistance to business sponsored by the federal government and others throughout the country. Enquirers are directed to the appropriate representatives of these programs. This service resulted in 30,397 referrals to various assistance programs

compared to 14,734 referrals in fiscal 1977.

The Bank holds information sessions to which business persons are invited by advance advertising to learn about the various assistance programs; 407 such sessions were held in fiscal 1978 as against 121 sessions in the previous year.

The Bank also publishes pamphlets on business management and a quarterly news bulletin. Some 50,000 names are on the Bank's mailing list for these publications.

Organization

The responsibilities of senior management officers in Head Office were recently realigned to reflect the continuing growth in demand for the Bank's services.

The network of branch offices of the Bank was expanded in the year with the opening of offices in LaSalle and Laval in Quebec and in Peterborough, Ontario. At the year-end, the Bank had 87 branch offices and five sub-branches.

The branch offices are grouped in five regions of the Bank, namely, Atlantic, Quebec, Ontario, Prairie and Northern, and British Columbia regions. Each region is in charge of a regional office,

headed by a Vice-President and Regional General Manager.

The authority to approve almost all of the loans made by the Bank is given to the branch and regional offices. They authorize 98% of the loans; the remainder are approved at Head Office.

During the year, the Bank continued its program of sending representatives from its branch offices to visit other centres in order to meet business people and discuss with them the financial and management services of the Bank. These visits are advertised in advance and they make the Bank's services more conveniently available in many communities. In fiscal year 1978, over 7,600 visits were made.

Board of Directors and Management

Mr. Sol Kanee, Chairman of the Board of Directors, resigned from the Board in April 1978. Previously a Director of the Industrial Development Bank, Mr. Kanee was appointed a Director of FBDB and was elected Chairman of the Board when FBDB succeeded IDB in 1975.

Mr. J. R. Murray, President of the FBDB, resigned effective April 30th, 1978. Appointed in August 1975,

Mr. Murray assumed direction of the Bank when it succeeded the Industrial Development Bank and guided its affairs during the transitional stage.

By Order-in-Council dated March 2nd, 1978, Mr. G. A. Lavigueur, Executive Vice-President, was appointed President and Chief Executive Officer of the Bank effective May 1st, 1978.

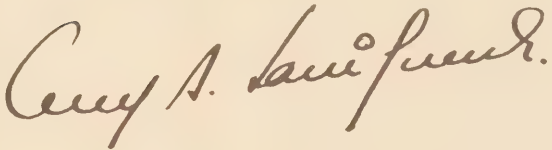
Mr. J. W. Poole of West Vancouver and Dr. J. M. LeClair, Secretary of the Treasury Board, Ottawa, resigned from the Board of Directors in May 1977 and March 1978, respectively. Mr. D. R. Andrews of Kamloops was appointed a Director in June 1977. Mr. S. Cloutier, Deputy Minister, Ministry of Transport, Ottawa, and Mr. G. R. Sharwood of Toronto were appointed to the Board in April 1978.

Mr. E. C. Scott, Vice-President was appointed Executive Vice-President effective May 1st, 1978.

Staff

The achievements recorded in this report are the result of the efforts of 2,062 men and women who comprise the staff of the Bank and the many people associated with the CASE counselling program. With their support, the Bank will continue

to play an active and expanding role in assisting small business in Canada.



Guy A. Lavigueur,
President

Statement of Operations for the year ended March 31, 1978

Financial Services

	1978	1977
Income:		
Interest	\$167,104,909	\$152,596,207
Sundry	6,152,671	3,646,883
	<u>173,257,580</u>	<u>156,243,090</u>
Expenses:		
Salaries and employee benefits	34,989,184	28,245,904
Staff travel and transfers	3,317,499	2,355,237
Rental and other expenses — leased premises ...	4,745,277	3,858,297
Depreciation of fixed assets	1,177,644	705,930
Publicity	1,104,161	965,581
Telephone, telex and telegrams	1,312,096	1,093,433
Office supplies and expenses	1,335,512	1,178,752
All other operating expenses	2,224,062	1,733,511
Total operating expenses	50,205,435	40,136,645
Less: Charged to Management Services	580,000	586,000
Net operating expenses	49,625,435	39,550,645
Interest on term debt (including amortization of discount and premium on debentures)	103,002,037	94,584,381
Provision for losses on loans and investments ...	19,508,657	19,931,707
	<u>172,136,129</u>	<u>154,066,733</u>
Balance of income transferred to retained earnings	<u>\$ 1,121,451</u>	<u>\$ 2,176,357</u>

Management Services

	1978	1977
Salaries and employee benefits	\$ 3,050,088	\$ 2,033,992
Staff travel and transfers	707,075	308,694
Rental and other expenses — leased premises	391,179	210,101
Publicity	212,367	176,088
Office supplies and expenses	398,917	129,835
Training Seminars	476,401	358,191
Training and Information Services publications ...	231,678	697,026
CASE counselling fees	1,404,160	731,928
All other operating expenses	577,851	589,064
	<u>7,449,716</u>	<u>5,234,919</u>
Charged by Financial Services	580,000	586,000
Total expenditures	8,029,716	5,820,919
Less: Revenue from CASE counselling, Training Seminar registration, etc.	564,740	327,723
Amount recovered from the Department of Industry, Trade and Commerce Vote 50 (Vote 60 in 1977)	<u>\$ 7,464,976</u>	<u>\$ 5,493,196</u>
Total expenditures were incurred as follows:		
Management Counselling	3,049,305	1,619,940
Management Training	1,709,480	1,163,840
Information Services	1,733,659	1,248,717
Administration	682,808	760,012
Capital expenditures	274,464	442,410
	<u>7,449,716</u>	<u>5,234,919</u>
Charged by Financial Services	580,000	586,000
	<u>\$ 8,029,716</u>	<u>\$ 5,820,919</u>

Other Financial Statements for the year ended March 31, 1978

Statement of Retained Earnings

	1978	1977
Balance, beginning of year	\$ 43,534,675	\$ 41,358,318
Balance of income for the year	1,121,451	2,176,357
Balance, end of year	<u>\$ 44,656,126</u>	<u>\$ 43,534,675</u>

Statement of accumulated provision for possible future losses on loans and investments

	1978	1977
Balance, beginning of year	\$ 47,000,000	\$ 31,000,000
Add:		
Recovery of amounts previously written off	223,080	152,770
Provision for losses for the year	19,508,657	19,931,707
	<u>19,731,737</u>	<u>20,084,477</u>
	66,731,737	51,084,477
Less: Amounts written off during the year	9,731,737	4,084,477
Balance, end of year	<u>\$ 57,000,000</u>	<u>\$ 47,000,000</u>

Statement of Changes in Cash Position

	1978	1977
Source of cash:		
Loans from Canada	\$278,000,000	\$301,000,000
Capital paid in by Canada	14,000,000	19,000,000
Repayments by borrowers and investees	<u>312,419,980</u>	<u>231,760,665</u>
	604,419,980	551,760,665
Net income	1,121,451	2,176,357
Items not requiring an outlay of cash –		
Increment in accumulated provision for possible future losses	10,000,000	16,000,000
Depreciation of fixed assets	1,177,644	705,930
Net changes in accrued interest	<u>(1,722,724)</u>	<u>(2,252,177)</u>
Cash provided from operations	<u>10,576,371</u>	<u>16,630,110</u>
	614,996,351	568,390,775
Application of cash:		
Disbursements to borrowers and investees	391,581,636	369,421,264
Repayment of maturing debentures	171,600,000	171,500,000
Repayment of maturing notes	51,000,000	13,000,000
Other	<u>1,080,765</u>	<u>2,990,450</u>
	615,262,401	556,911,714
Net increase (decrease) in cash position	<u>\$ (266,050)</u>	<u>\$ 11,479,061</u>
Increase in cash and Government of Canada		
Treasury Bills	\$ 4,666,250	\$ 9,103,045
Add: Decrease (increase) in cheques outstanding	<u>(4,932,300)</u>	<u>2,376,016</u>
	<u>\$ (266,050)</u>	<u>\$ 11,479,061</u>

Statement of Assets and Liabilities as at March 31

Assets

	1978	1977
Cash	\$ 1,953,381	\$ 1,120,019
Government of Canada Treasury Bills	31,136,163	27,303,275
	<u>33,089,544</u>	<u>28,423,294</u>
Loans (Notes 2 and 3)	1,481,677,283	1,408,381,803
Investments, at cost (Note 2)	12,147,563	6,281,388
	<u>1,493,824,846</u>	<u>1,414,663,191</u>
Interest due and accrued	17,752,852	14,662,493
	<u>1,511,577,698</u>	<u>1,429,325,684</u>
Less: Accumulated provision for possible future losses	57,000,000	47,000,000
	<u>1,454,577,698</u>	<u>1,382,325,684</u>
Fixed assets at cost, less accumulated depreciation	4,047,655	2,468,625
Other assets	1,861,149	4,041,172

APPROVED BY THE BOARD:

F. Don Rosebrugh, Director

Guy A. Lavigueur, Director

\$1,493,576,046 \$1,417,258,775

Liabilities

	1978	1977
Cheques outstanding	\$ 17,618,970	\$ 12,686,670
Accrued interest on debentures	20,432,094	25,203,500
Accrued interest on notes	16,598,897	10,459,855
Other liabilities	3,338,169	3,443,109
	<u>57,988,130</u>	<u>51,793,134</u>
Debentures outstanding (Note 4)	645,200,000	816,800,000
Debenture premium and discount less amortization	731,790	1,130,966
	<u>645,931,790</u>	<u>817,930,966</u>
Notes held by Canada (Note 5)	623,000,000	396,000,000
Capital:		
Capital paid in by Canada under the Federal Business Development Bank Act	122,000,000	108,000,000
Retained earnings, per statement attached	44,656,126	43,534,675
	<u>166,656,126</u>	<u>151,534,675</u>
	<u>\$1,493,576,046</u>	<u>\$1,417,258,775</u>

Auditor's Report

The Honourable Minister of Industry,
Trade and Commerce,
Ottawa, Ontario.

Sir:

I have examined the statement of assets and liabilities of the Federal Business Development Bank as at March 31, 1978 and the statements of operations, retained earnings, changes in cash position and accumulated provision for possible future

losses on loans and investments for the year then ended. My examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present a true and fair view of the financial position of the Bank as at March 31, 1978 and the results of its operations, the changes in its cash position and the changes in the accumulated provision for possible future losses on loans and investments for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

I further report that, in my opinion, proper books of account have been kept by the Bank, the financial statements are in agreement therewith and the transactions that have come under my notice have been within the statutory powers of the Bank.

Yours very truly,

Raymond J. Morcel, C.A.
of Price Waterhouse & Co.
Montreal, Quebec
May 19, 1978

Notes to Financial Statements as at March 31, 1978

1. Significant Accounting Policies:

Loans and Investments

Loans and investments are recorded as assets when disbursed. Each loan remains as an asset until it is repaid or until realization of its security. Each investment remains as an asset until it is sold or written off. Losses on loans and investments are provided for as described in the following paragraph.

Provision for losses on loans and investments

A charge against income is made to cover amounts written off on loans and investments during the period. In addition, a provision is established to provide for future losses. This provision includes a component which, on the basis of historical loss experience, covers future losses not yet identified, and also a component to provide for specifically identified probable losses.

Revenue recognition

Interest on loans is recorded as income on an accrual basis except that interest is not accrued on loans where the Bank has taken possession of the assets pledged as security.

Fixed assets and depreciation

Fixed assets are recorded at historical cost. Leasehold improvements are depreciated under the straight-line method over the term of each individual lease. Other fixed assets are depreciated using the diminishing balance method at rates based on the estimated useful lives of such assets.

2. Loan and investment commitments:

The amounts not disbursed at March 31, 1978 on loans and investments authorized aggregated approximately \$138,000,000 (1977 — \$111,000,000).

3. Loans to "interested persons" as defined by Section 36 of the Federal Business Development Bank Act:

On September 9, 1977 the Board of Directors approved a loan for \$100,000 to Field Sawmills Ltd., Courtenay, B.C. The Chairman of the Board of the company is Peter J. Gregory, a member of the British Columbia/Yukon Regional Advisory Council of the Bank.

4. Debentures issued to and held by the Bank of Canada at March 31, 1978 were as follows:

Rate %	Maturities by Fiscal Year (in thousands of dollars)				
	1979	1980	1981	1982	Total
6-67%	\$ 6,000	\$ -	\$ -	\$ -	\$ 6,000
7-77%	127,800	78,400	51,400	44,200	301,800
8-87%	15,400	70,400	40,000	39,800	165,600
9-97%	22,300	22,300	79,600	47,600	171,800
	<u>\$171,500</u>	<u>\$171,100</u>	<u>\$171,000</u>	<u>\$131,600</u>	<u>\$645,200</u>

5. Notes held by Canada at March 31, 1978 were as follows:

Rate %	Maturities by Fiscal Year (in thousands of dollars)					
	1979	1980	1981	1982	1983	1984-86
7-77%	\$ 35,000	\$ 35,000	\$ 34,000	\$ 21,000	\$ -	\$ -
8-87%	4,000	3,000	5,000	18,000	36,000	107,000
9-97%	46,000	48,000	48,000	47,000	50,000	86,000
	<u>\$ 85,000</u>	<u>\$ 86,000</u>	<u>\$ 87,000</u>	<u>\$ 86,000</u>	<u>\$ 86,000</u>	<u>\$193,000</u>
						<u>\$623,000</u>

6. Contingent liabilities:

The Bank is contingently liable as guarantor of loans aggregating \$7,881,000.

7. Pension Fund:

The Bank maintains a Pension Fund for its employees which is contributory, trustee and funded. During the year, the Bank charged to operations special contributions into the Fund aggregating \$2,178,300 (principal and interest) in order to fully fund the experience deficiency of \$1,259,800 which had arisen in the calendar year 1976 and provide against a possible recurrence of such deficiency in 1977. According to the latest independent actuarial valuation, which was conducted as of December 31, 1977, these contributions, together with net experience gains realized in 1977, have caused the assets of the Fund to exceed the actuarially computed value of future benefits to employees.

8. Directors' and officers' remuneration:

As at March 31, 1978 the Bank had fourteen directors (fifteen in 1977) and ten senior officers (ten in 1977). One senior officer retired in February 1978. Remuneration of \$48,845 (\$59,500 in 1977) was paid to the ten directors selected from outside the public service of Canada. Remuneration of \$491,710 (\$453,573 in 1977) was paid to the senior officers. One senior officer is also a director.

Loan approvals

Classification by new or existing borrowers:	Number during fiscal years:						Amount (\$000) during fiscal years:					
	ended September 30			ended March 31			ended September 30			ended March 31		
	1973	1974	1975	1976	1977	1978	1973	1974	1975	1976	1977	1978
To new borrowers	5,716	7,109	6,775	7,187	6,624	6,977	251,356	344,718	298,062	329,550	311,792	348,240
To existing borrowers	2,143	2,603	2,686	2,901	2,687	2,931	93,442	125,303	103,342	125,103	112,284	131,084
Total	<u>7,859</u>	<u>9,712</u>	<u>9,461</u>	<u>10,088</u>	<u>9,311</u>	<u>9,908</u>	<u>344,798</u>	<u>470,021</u>	<u>401,404</u>	<u>454,653</u>	<u>424,076</u>	<u>479,324</u>
Classification by size:												
\$ 5,000 or less	374	402	461	473	497	539	1,521	1,695	1,920	1,945	2,025	2,147
Over 5,000 to 25,000	3,365	4,010	4,127	4,339	3,830	4,066	52,736	63,443	64,456	68,226	59,957	62,097
Over 25,000 to 50,000	2,347	2,901	2,802	2,982	2,812	3,085	88,198	109,593	106,093	113,710	106,372	122,088
Over 50,000 to 100,000	1,251	1,602	1,453	1,582	1,475	1,362	92,832	121,237	109,954	119,073	109,888	102,673
Over 100,000 to 200,000	383	612	501	516	501	589	55,834	91,908	73,231	75,386	73,088	85,506
Total up to \$200,000	7,720	9,527	9,344	9,892	9,115	9,641	291,121	387,876	355,654	378,340	351,330	374,511
Over \$200,000	139	185	117	196	196	267	53,677	82,145	45,750	76,313	72,746	104,813
Total	<u>7,859</u>	<u>9,712</u>	<u>9,461</u>	<u>10,088</u>	<u>9,311</u>	<u>9,908</u>	<u>344,798</u>	<u>470,021</u>	<u>401,404</u>	<u>454,653</u>	<u>424,076</u>	<u>479,324</u>
Average size							44	48	42	45	46	48
Classification by Province:												
Newfoundland	197	245	314	346	304	493	6,993	8,121	9,251	9,959	7,896	15,282
Prince Edward Island	83	77	57	65	66	85	2,551	2,453	1,561	1,654	2,201	2,573
Nova Scotia	260	262	369	435	428	582	7,427	8,289	10,993	12,079	11,422	17,718
New Brunswick	224	284	286	341	345	487	9,059	12,959	9,766	10,780	10,877	20,909
Quebec	1,383	1,652	1,459	1,721	1,725	1,678	71,799	85,701	70,491	92,082	100,660	102,660
Ontario	1,789	2,391	2,507	2,629	2,505	2,632	75,336	110,850	102,311	114,279	104,658	118,188
Manitoba	179	248	208	222	204	222	8,404	12,941	11,594	12,247	8,530	12,710
Saskatchewan	178	246	205	226	271	230	7,134	10,736	9,019	11,293	15,465	15,293
Alberta	646	1,067	957	1,033	963	879	26,458	47,724	39,462	45,530	52,476	50,054
British Columbia	2,835	3,159	3,019	2,979	2,446	2,564	124,332	165,713	132,746	139,862	104,171	119,857
Yukon	47	40	29	30	25	20	2,735	2,751	2,278	2,218	3,903	1,910
Northwest Territories	38	41	51	61	29	36	2,570	1,783	1,932	2,670	1,817	2,170
Total	<u>7,859</u>	<u>9,712</u>	<u>9,461</u>	<u>10,088</u>	<u>9,311</u>	<u>9,908</u>	<u>344,798</u>	<u>470,021</u>	<u>401,404</u>	<u>454,653</u>	<u>424,076</u>	<u>479,324</u>

Classification of loan approvals by type of business

	Number during fiscal years:						Amount (\$'000) during fiscal years:					
	ended September 30			ended March 31			ended September 30			ended March 31		
	1973	1974	1975	1976	1977	1978	1973	1974	1975	1976	1977	1978
Manufacturing:												
Foods and beverages	164	164	162	163	184	197	9,642	12,428	11,052	13,810	13,080	12,582
Rubber products	12	5	5	9	1	8	684	450	245	619	50	2,217
Leather products	18	14	11	16	18	18	651	426	467	1,043	693	651
Textile products (except clothing)	27	31	43	36	33	44	1,854	2,781	2,478	2,374	1,332	2,078
Clothing (textiles and fur)	70	54	46	64	57	49	2,931	2,849	1,464	2,802	2,770	2,110
Wood products	287	343	303	309	334	356	16,595	25,635	14,224	14,754	17,735	22,897
Paper products (including pulp)	31	27	22	26	26	22	3,301	1,270	1,758	5,282	1,354	1,615
Printing and allied industries	140	158	171	201	151	176	3,676	4,929	4,667	6,495	4,619	6,429
Iron and steel products (including machinery and equipment)	341	444	418	460	399	412	19,140	24,032	19,772	21,004	20,551	28,429
Transportation equipment	100	88	64	85	82	79	6,629	7,341	2,701	6,139	5,744	4,763
Non-ferrous metal products	11	18	16	10	11	10	521	1,123	784	488	273	1,113
Electrical apparatus and supplies	27	51	52	44	53	62	1,343	2,365	2,415	2,422	2,137	5,555
Non-metallic mineral products	67	86	93	100	92	118	3,000	5,208	5,433	5,481	4,442	7,701
Chemical products	44	47	37	43	37	43	2,344	2,242	2,368	1,926	2,118	2,819
Miscellaneous manufacturing industries	156	159	196	180	167	166	7,359	6,814	8,836	8,283	10,343	6,906
Commercial air services	45	34	62	57	47	67	2,208	2,152	3,695	3,804	2,561	6,064
Warehousing (including refrigeration) . .	10	8	8	11	21	18	1,107	640	538	557	3,183	1,242
Other transportation and storage	212	238	255	265	229	273	9,036	13,894	10,104	10,915	9,242	12,930
Electric power, gas, water utilities	15	23	27	40	13	17	349	972	790	1,475	558	649
Mines (incl. milling), quarries, oil wells .	29	45	41	50	36	48	1,163	2,433	1,896	2,938	3,087	2,239
Construction	422	521	561	570	440	578	16,676	19,719	20,240	22,327	18,334	22,683
Industrial buildings	529	558	504	507	456	388	27,932	36,702	33,153	34,505	32,536	26,652
Personal services	67	89	104	108	89	101	1,650	2,657	2,766	2,899	2,324	2,600
Forestry	89	89	70	77	75	102	2,593	2,685	2,061	2,630	2,515	3,152
Wholesale trade	390	547	471	513	518	512	19,282	31,503	22,289	25,450	24,519	26,765
Retail trade	1,759	2,329	2,519	2,878	2,790	2,926	57,703	80,150	79,836	97,991	94,717	106,711
Education and health services	80	93	77	78	57	80	3,350	4,550	5,379	6,026	2,768	3,573
Recreation services	113	134	132	132	108	132	5,207	8,471	7,083	7,582	7,249	7,820
Services to business management	93	180	203	205	174	222	2,866	6,017	7,089	8,230	6,524	8,146
Miscellaneous services	211	252	267	259	277	272	6,357	8,809	7,394	7,774	7,999	7,950
Agriculture	545	844	639	598	474	354	22,719	38,815	28,374	26,211	23,742	18,001
Fishing and trapping	33	59	56	71	42	40	691	2,347	1,849	2,169	1,642	1,673
Communications	12	18	23	22	13	24	314	928	1,107	1,583	643	1,748
Laundries, cleaners and pressers	149	150	154	174	148	156	4,065	4,095	4,539	5,021	5,056	5,977
Restaurants and other eating places	834	1,051	1,088	1,145	1,148	1,315	33,070	46,636	45,101	49,205	52,241	58,824
Hotels, motels and other lodgings	680	691	494	520	446	454	44,949	50,910	35,230	40,001	31,930	42,640
Theatres, bowling alleys, billiard halls . .	47	70	67	62	65	69	1,841	5,043	2,227	2,438	3,465	3,420
	<u>7,859</u>	<u>9,712</u>	<u>9,461</u>	<u>10,088</u>	<u>9,311</u>	<u>9,908</u>	<u>344,798</u>	<u>470,021</u>	<u>401,404</u>	<u>454,653</u>	<u>424,076</u>	<u>479,324</u>

Provincial distribution of accounts

	at March 31, 1978	
	Number of busi- nesses	Amounts out- standing (\$'000)
Newfoundland	1,106	34,556
Prince Edward Island	289	8,030
Nova Scotia	1,384	39,134
New Brunswick	1,204	40,785
Quebec	6,158	329,444
Ontario	8,854	358,946
Manitoba	856	37,516
Saskatchewan	913	41,810
Alberta	3,309	143,058
British Columbia	8,894	442,594
Yukon	127	10,412
Northwest Territories	130	7,540
Total	<u>33,224</u>	<u>\$1,493,825</u>

Summary statistics of accounts

<i>(Millions of Dollars)</i>	For fiscal years:					
	ended September 30			ended March 31		
	1973	1974	1975	1976	1977	1978
Disbursements to borrowers	274.9	404.9	356.7	372.9	369.4	391.6
Repayments by borrowers including principal written off (net)	154.0	151.8	169.0	188.8	231.8	312.4
Increase in amounts outstanding	120.9	253.1	187.7	184.1	137.6	79.2
Amounts outstanding at year-end	730.5	983.6	1,171.3	1,277.0	1,414.6	1,493.8
Amounts not yet disbursed at year-end	137.5	148.9	132.8	120.6	110.7	138.0
Amounts outstanding plus undisbursed at year-end	868.0	1,132.5	1,304.1	1,397.6	1,525.3	1,631.8
Number of customers on the books at year-end	19,142	23,550	27,508	29,274	31,925	33,224
Average amount outstanding plus undisbursed per customer (thousands of dollars)	45	48	47	48	48	49

Officers

President	G. A. Lavigueur	Montreal
Executive Vice-President	E. C. Scott	Montreal
Vice-President, Finance	J. E. Nordin	Montreal
Vice-President, Financial Services	E. A. Bell	Montreal
Assistant Vice-President, Financial Services	K. E. Neilson	Montreal
Vice-President, Inspection	G. Bourbonnière	Montreal
Vice-President, Management Services	M. F. Clooney	Montreal
Vice-President, Personnel	I. D. MacLaren	Montreal
Vice-President and Regional General Manager, Atlantic Region	D. A. Kerley	Halifax
Vice-President and Regional General Manager, Quebec Region	J. Y. Milette	Montreal
Vice-President and Regional General Manager, Ontario Region	K. A. Powers	Toronto
Vice-President and Regional General Manager, Prairie & Northern Region	R. H. Wheeler	Winnipeg
Vice-President and Regional General Manager, British Columbia Region	H. W. Baker	Vancouver
Assistant to the President	P. F. Limoges	Montreal
Secretary	P. Deniger	Montreal
Assistant Secretary	L. Roy-Le Hir	Montreal
Auditor	J. B. Lane	Montreal
Assistant Auditor	N. Robinson	Montreal

Head Office, Montreal

Finance Department
Controller: R. L. McLean
Deputy Controller: J. O. Skerry
Assistant Controllers:
N. W. Bourgoin, G. D. Cain,
J. R. Dupuis, A. Thisdel
Senior Accounting Officers:
D. Couture, J. Julien,
J. D. Scanlan
Economist: S. E. Moreau

Financial Services Department
Superintendent, Credit Administration:
J. B. S. Oldaker
*Assistant Superintendents,
Credit Administration:*
J. A. Boudreau, R. F. Harriman
Superintendent, Investments: K. R. Miller
Assistant Superintendent, Investments:
R. A. Moxness

Superintendent, Loans and Project Director:
G. H. Bourque
Assistant Project Directors:
H. W. Barsoum, D. J. P. Lucas,
R. D. Thompson
Director of Research: L. E. Barclay (Ottawa)

Information Department
Information Officer: J. W. Sivers

Inspection Department
Chief Inspector: J. T. Horne
Deputy Chief Inspectors: J. E. Evans (Calgary),
J. P. Roberts
Inspectors: C. W. Chidley (Calgary),
M. Dépôt, N. L. Smith (Calgary),
J. A. Sutherland, P. West

Insurance Department
Superintendent: K. J. H. Pasqual
Assistant Superintendent: H. Montbriand
Senior Insurance Officer: N. Cahill

Legal Department
General Solicitor: D. R. Urquhart
Assistant General Solicitors: A. Bahary,
C. G. M. Winslow

Management Services Department
Directors: R. Bilodeau, E. G. Jopling
Assistant Directors:
T. J. Dettman, J. C. Helman,
J. Longman, C. P. Scodras
Coordinator, Audio/Visual: R. P. Allard

Personnel Department
Superintendent: C. L'Espérance
Assistant Superintendents:
J. Y. Bernier, W. Forman,
D. L. Lockerby
Training Director: J. T. D. Mulqueen
Personnel Officer: G. D. Schneider
Assistant Personnel Officer: J. Sutton

Premises and Supply Department
Superintendent: A. Mackie
Assistant Superintendents:
R. W. Gosselin, R. R. Ritchie
Manager, Office Services: G. R. d'Artois

Special Assistants
Administration: P. M. Bourassa
Corporate Development: H. P. Carmichael
Personnel: M. Naggar

Systems Department
Director, Systems: P. Malépart
Assistant Directors, Systems:
R. T. Mactavish, M. Rochon
Data Centre Officer: A. Nasra
Project Manager: B. Cooke
Manager, Records: H. Shantz
Senior Methods Officer: N. Ragbir

Translation Department
Manager: S. Bernier

Atlantic Region

Type of business	Loans Authorized in years ended March 31			
	1978		1977	
	No.	Amount (\$000)	No.	Amount (\$000)
Manufacturing	170	6,931	93	2,696
Wholesale and retail trade	763	22,451	620	16,408
Tourist industry	318	14,306	217	7,254
Agriculture	14	454	5	227
Construction	109	3,177	45	996
Rental Properties	44	2,770	39	1,534
Transportation & storage	53	1,321	14	352
Other	176	5,072	110	2,929
Total	<u>1,647</u>	<u>\$56,482</u>	<u>1,143</u>	<u>\$32,396</u>

Management services in the Atlantic Region in years ended March 31

	1978	1977
CASE counselling — enquiries	1,586	810
— assignments completed ..	874	294
Management training seminars	146	107
Small business information service — referrals to assistance programs	3,015	1,260

Atlantic Regional Office Suite 1400, Cogswell Tower, Scotia Square, Halifax, N.S. B3J 3K1

Vice-President and Regional General Manager: D. A. Kerley

Supervisors: J. G. Kenna, R. M. Williams

Assistant Supervisor: J. P. Michaud

Assistant Supervisor, Personnel: A. Highet

Project Director: D. M. Baker

Investment Manager: S. M. McKinnon

Regional Solicitor: G. P. Bauchman

Regional Director of Management Services: E. K. Harding

Regional Counsellor: D. G. Fitzgerald

Regional Training Officer: T. V. McDonnell

Manager, Administration: T. F. Clahane

Branch Offices

Newfoundland:	Corner Brook Grand Falls St. John's	<i>Manager:</i> J. J. Ryan <i>Manager:</i> L. P. Elliott <i>Manager:</i> K. E. Mercer <i>Assistant Manager:</i> C. Moulton
Nova Scotia:	Bridgewater Halifax Sydney Truro	<i>Manager:</i> F. D. Parsons <i>Manager:</i> M. J. Walsh <i>Assistant Manager:</i> S. J. Moore <i>Manager:</i> F. J. Power <i>Manager:</i> R. W. Tobin

New Brunswick:	Bathurst Fredericton Moncton Saint John	<i>Manager:</i> T. A. Gallant <i>Manager:</i> R. D. Artz <i>Assistant Manager:</i> J. F. Lemoine <i>Manager:</i> D. G. Fulton <i>Manager:</i> J. E. McNulty
Prince Edward Island:	Charlottetown	<i>Manager:</i> G. F. Dickson

Quebec Region

	Loans Authorized in years ended March 31			
	1978		1977	
Type of business	No.	Amount (\$000)	No.	Amount (\$000)
Manufacturing	474	37,140	483	34,956
Wholesale and retail trade	542	27,749	572	25,637
Tourist industry	321	18,105	331	19,710
Agriculture	23	2,684	28	3,491
Construction	80	4,107	74	2,939
Rental properties	43	2,671	62	4,708
Transportation & storage	46	3,247	39	2,539
Other	149	6,957	136	6,680
Total	<u>1,678</u>	<u>\$102,660</u>	<u>1,725</u>	<u>\$100,660</u>

Management services in the Quebec Region in years ended March 31

	1978	1977
CASE counselling — enquiries	1,192	630
— assignments completed ..	666	204
Management training seminars	161	110
Small business information service — referrals to assistance programs	14,243	3,930

Quebec Regional Office Suite 4600, Place Victoria, 800 Victoria Square, Montreal, Que. H4Z 1C8

Vice-President and Regional General Manager:

J. Y. Milette

Supervisors: J. Lagacé, J. R. Leduc

Assistant Supervisors: P. H. Johnson, J. C. Martin

Assistant Supervisor, Personnel: R. Leahey

Project Director: R. J. Lafond

Assistant Project Directors: R. Bernaquez, N. Gariépy

Investment Manager: R. Cosma

Assistant Investment Manager: L. D. Laporte

Regional Solicitor: R. Gauthier

Assistant Regional Solicitors: A. Koch, J. Y. Monfette

Regional Director of Management Services:

G. W. Madore

Regional Counsellor: J. P. Dubeau

Manager, Information and Training,

Management Services: G. Léonard

Regional Training Officer: A. Bourdeau

Manager, Special Services: C. Lampron

Manager, Administration: M. Demers

Branch Offices

Chicoutimi	<i>Manager:</i> M. Bégin	Montreal (Place Victoria)	<i>Manager:</i> R. Trudeau	St-Laurent	<i>Manager:</i> B. Hryniewski
Drummondville	<i>Manager:</i> S. Y. Joubert		<i>Assistant Managers:</i> G. Choinière,		<i>Assistant Managers:</i> W. J. Booth,
Granby	<i>Manager:</i> D. Blouin		A. J. Hudson		R. Germain
Hull	<i>Manager:</i> F. Roy			St-Léonard	<i>Manager:</i> J. M. Boucher
	<i>Assistant Manager:</i> J. C. St-Cyr	Quebec	<i>Manager:</i> J. A. Dugas		<i>Assistant Manager:</i> S. Bayer
LaSalle	<i>Manager:</i> M. D. Légaré		<i>Assistant Managers:</i> J. P. Hébert,	Sept-Iles	<i>Manager:</i> N. Lancup
Laval	<i>Manager:</i> C. M. Létourneau		M. Tremblay	Sherbrooke	<i>Manager:</i> L. Provencher
Lévis	<i>Manager:</i> J. Bigaouette	Rimouski	<i>Manager:</i> J. G. Germain		<i>Assistant Manager:</i> G. Perrin
Longueuil	<i>Manager:</i> J. D. Casavant		<i>Assistant Manager:</i> G. G. Lapierre	Trois-Rivières	<i>Manager:</i> R. Pépin
	<i>Assistant Manager:</i> R. R. Poirier	Rouyn-Noranda	<i>Manager:</i> J. Lemay	Valleyfield	<i>Manager:</i> G. P. Brunelle
			<i>Assistant Manager:</i> A. Brunelle		
Montreal (Place Frontenac)	<i>Manager:</i> P. A. Locas	St-Jérôme	<i>Manager:</i> M. Bourret		
			<i>Assistant Manager:</i> A. Maccabée		

Ontario Region

Loans Authorized in years ended March 31

Type of business	1978		1977	
	No.	Amount (\$000)	No.	Amount (\$000)
Manufacturing	570	26,407	546	24,169
Wholesale and retail trade	886	33,942	874	30,559
Tourist industry	527	29,107	463	22,457
Agriculture	101	5,500	114	5,179
Construction	140	5,590	120	5,922
Rental properties	71	4,154	82	5,089
Transportation & storage	71	3,550	67	3,655
Other	266	9,938	239	7,628
Total	<u>2,632</u>	<u>\$118,188</u>	<u>2,505</u>	<u>\$104,658</u>

Ontario Regional Office 250 University Avenue, Toronto, Ont. M5H 3E5

Vice-President and Regional General Manager:

K. A. Powers

Supervisors: C. R. T. Bingley, K. K. Hay-Roe

Assistant Supervisors: E. T. Brignall, J. G. Wilson

Assistant Supervisor, Personnel: W. Y. Torrance

Project Director: G. W. Kyte

Investment Manager: J. A. Martin

Regional Legal Officer: B. K. Grafen

Assistant Regional Solicitor: J. MacMillan

Regional Director of Management Services: D. S. Brown

Assistant Regional Director of Management Services:

R. L. Frizell

Regional Counsellor: J. R. Bernard

Regional Training Officer: J. D. Carruthers

Manager, Administration: R. J. Collins

Branch Offices

Barrie	Manager: I. A. Smith Assistant Manager: W. Stoof
Chatham	Manager: R. A. Lewis
Etobicoke	Manager: E. Wilk
Hamilton	Manager: C. A. Graham Assistant Manager: A. C. Giggins
Kingston	Manager: J. A. Clinton
Kitchener-	Manager: J. R. Sugden
Waterloo	Assistant Manager: M. L. Regis
London	Manager: T. G. Gilmour Assistant Managers: H. G. Basler, D. R. Warne
Oakville	Manager: R. V. Crank Assistant Manager: H. A. Sheldon

Oshawa	Manager: K. W. Bolam Assistant Manager: W. S. Beatty
Ottawa	Manager: F. T. Watters Assistant Managers: W. E. Butcher, J. P. Houle
Owen Sound	Manager: G. J. Marshall
Peterborough	Manager: D. R. Johnson
St. Catharines	Manager: R. J. Kenny Assistant Manager: J. I. McKiernan
Scarborough	Manager: R. J. Clinchy
Stratford	Manager: K. R. Elliott Assistant Manager: W. J. H. Prest
Toronto	Manager: D. C. Sedgwick Assistant Managers: N. N. Bacchus, D. L. Muir

Toronto-North	Manager: J. H. Miller Assistant Manager: E. D. McCrindell
Windsor	Manager: M. A. Renfrew Assistant Manager: C. M. Thurgood
Woodstock	Sub-branch to London
Northern Ontario District Office	Supervisor: W. H. Jay Assistant Supervisor: R. W. Jesshope
Kenora	Manager: M. Fostyk
Sault Ste. Marie	Manager: K. G. Hopper
Sudbury	Manager: M. W. Gallow Assistant Manager: K. D. Brodthagen
Thunder Bay	Manager: R. M. Jack Assistant Manager: A. MacKay
Timmins	Manager: J. C. Bru

Management services in the Ontario Region in years ended March 31

	1978	1977
CASE counselling — enquiries	2,076	817
— assignments completed ..	896	315
Management training seminars	241	136
Small business information service — referrals to assistance programs	5,921	6,629

Prairie and Northern Region

Type of business	Loans Authorized in years ended March 31			
	1978		1977	
	No.	Amount (\$000)	No.	Amount (\$000)
Manufacturing	174	15,419	181	9,306
Wholesale and retail trade	500	21,218	492	21,106
Tourist industry	239	19,270	254	20,351
Agriculture	81	3,869	167	7,906
Construction	90	4,303	87	4,598
Rental properties	69	5,922	82	7,464
Transportation & storage	65	5,661	60	3,702
Other	169	6,475	169	7,758
Total	<u>1,387</u>	<u>\$82,137</u>	<u>1,492</u>	<u>\$82,191</u>

Management services in the Prairie and Northern Region in years ended March 31

	1978	1977
CASE counselling — enquiries	1,968	977
— assignments completed ..	944	473
Management training seminars	246	81
Small business information service — referrals to assistance programs	3,878	855

Prairie and Northern Regional Office 161 Portage Avenue, Winnipeg, Man. R3B 0Y4

Vice-President and Regional General Manager: R. H. Wheeler
Supervisor: M. D. Rudkin
Assistant Supervisor: C. V. Spielman
Assistant Supervisor, Personnel: R. C. Allison

Project Director: D. G. McCrae
Investment Manager: N. C. Oakley
Regional Solicitor: H. K. Olson
Assistant Regional Solicitor: J. W. Hercus

Regional Director of Management Services: D. F. Goodman
Regional Counsellor: H. Swartz
Regional Training Officer: R. J. McGregor
Manager, Administration: H. D. Ramsey

Branch Offices

Manitoba: Brandon *Manager:* R. L. Gibson
 St-Boniface *Manager:* A. E. de Laforest
 Winnipeg *Manager:* J. W. Melymick
Assistant Manager: B. M. Massier

Saskatchewan: Prince Albert *Manager:* T. W. Tucker
 Regina *Manager:* G. J. Hiltz
Assistant Manager: W. E. Darling
 Saskatoon *Manager:* W. Schmidt
Assistant Manager: M. J. Valentini

Alberta: Calgary *Manager:* D. K. Wiggins
Assistant Managers: G. D. Flegel,
 T. E. Wright

Calgary South *Manager:* N. L. Crowe
Assistant Manager: B. J. Giesbrecht

Edmonton *Manager:* M. T. Collins
Assistant Managers: J. W. D. Courchene, R. A. Kerr

Edmonton South *Manager:* L. A. Zachary
Assistant Manager: C. M. Bradley

Edmonton West *Manager:* H. H. Dashevsky
Assistant Manager: A. J. Brockmeyer

Grande Prairie *Manager:* L. C. Holmstrom
Assistant Managers: P. F. Choropita, G. H. Petersen

Lethbridge *Manager:* J. W. Feindel
Assistant Manager: J. M. Davis

Red Deer *Manager:* W. L. Hutton
Assistant Manager: B. A. Johnson

Northwest Territories: Yellowknife Sub-branch of Edmonton

Yukon: Whitehorse Sub-branch to Grande Prairie

British Columbia Region

Type of business	Loans Authorized in years ended March 31			
	1978		1977	
	No.	Amount (\$000)	No.	Amount (\$000)
Manufacturing	495	28,423	342	16,113
Wholesale and retail trade	747	28,116	750	25,527
Tourist industry	496	28,496	437	21,648
Agriculture	135	5,495	160	6,939
Construction	159	5,506	114	3,878
Rental properties	161	11,135	191	13,741
Transportation & storage	123	6,456	117	4,738
Other	248	6,230	335	11,587
Total	<u>2,564</u>	<u>\$119,857</u>	<u>2,446</u>	<u>\$104,171</u>

Management services in the British Columbia Region in years ended March 31

	1978	1977
CASE counselling — enquiries	2,985	996
— assignments completed ..	2,092	374
Management training seminars	255	194
Small business information service — referrals to assistance programs	3,340	2,060

B.C. Regional Office 900 West Hastings Street, Vancouver, B.C. V6C 1E7

Vice-President and Regional General Manager:

H. W. Baker

Supervisors: E. A. Duddle, O. H. Morgan

Assistant Supervisors: C. B. Ready, R. B. Thomas

Assistant Supervisor, Personnel: R. A. Paugh

Personnel Officer: M. H. Morris

Project Director: G. B. G. Ross

Assistant Project Directors: J. H. Auld, R. E. M. Karyula

Investment Manager: J. G. T. Wong

Regional Solicitor: T. A. James

Assistant Regional Solicitor: W. J. Birney

Regional Director of Management Services: R. P. Dohan

Assistant Regional Director of Management Services:

G. Kirkwood

Regional Counsellor: J. T. Melvin

Manager, Special Services: L. H. Lieberman

Manager, Administration: R. E. McMurray

Assistant Manager, Administration: R. Morford

Branch Offices

Abbotsford	Sub-branch to Chilliwack	Kelowna	<i>Manager:</i> M. G. H. O'Reilly <i>Assistant Manager:</i> T. R. King	Richmond	<i>Manager:</i> J. Penman <i>Assistant Manager:</i> R. E. Berze
Burnaby	<i>Manager:</i> G. C. Hamilton <i>Assistant Manager:</i> J. A. Taggart	Langley	<i>Manager:</i> F. A. Reiter <i>Assistant Manager:</i> G. Martin	Terrace	<i>Manager:</i> M. Kartasheff <i>Assistant Manager:</i> C. R. Cousins
Campbell River	<i>Manager:</i> D. W. Forsyth <i>Assistant Manager:</i> B. H. Willett	Nanaimo	<i>Manager:</i> H. C. Tomasson <i>Assistant Managers:</i> M. Dukes, A. O. Seib	Vancouver	<i>Manager:</i> T. F. Ching <i>Assistant Managers:</i> N. W. Bell, R. A. Groulx
Chilliwack	<i>Manager:</i> T. W. Graham <i>Assistant Manager:</i> B. D. Parsons	New Westminster	<i>Manager:</i> M. Gumphrich <i>Assistant Managers:</i> T. C. Deeder, G. K. Gustafson	Vancouver-East	<i>Manager:</i> E. J. Popil <i>Assistant Manager:</i> J. S. Russo
Courtenay	Sub-branch to Campbell River	North Vancouver	<i>Manager:</i> D. M. Carter <i>Assistant Manager:</i> B. Kohl	Vernon	<i>Manager:</i> R. S. Keyes <i>Assistant Manager:</i> H. G. Faerber
Cranbrook	<i>Manager:</i> R. M. Leite <i>Assistant Manager:</i> W. H. W. Westlands	Penticton	Sub-branch to Kelowna	Victoria	<i>Manager:</i> R. W. Gray <i>Assistant Managers:</i> P. B. Smith, R. K. White
Duncan	Sub-branch to Nanaimo	Prince George	<i>Manager:</i> D. F. Watkins <i>Assistant Managers:</i> B. H. Forrest, R. J. Goulet	Williams Lake	<i>Manager:</i> J. E. Burnett <i>Assistant Manager:</i> B. B. Nimetz
Kamloops	<i>Manager:</i> D. H. Van Dusen <i>Assistant Manager:</i> R. G. Newman				

Summary of operations (thousands of dollars)

	Industrial Development Bank 1944-1975	Federal Business Development Bank Fiscal Years ended March 31			
		6 months 1976	1977	1978	Cumulative Total
LOANS AND INVESTMENTS					
Authorized during period	3,079,388	219,059	426,392	482,708	1,128,159
<i>Less:</i> cancellations and reductions	399,674	31,675	67,203	66,285	165,163
Net authorizations	2,679,714	187,384	359,189	416,423	962,996
Disbursements	2,545,331	197,423	369,421	391,582	958,426
<i>Less:</i> repayments and write-offs of principal	1,373,460	95,654	231,761	312,420	639,835
Increase in amounts outstanding	1,171,871	101,769	137,660	79,162	318,591
INCOME AND EXPENSES					
Income from loans and investments (interest and dividends)	596,697	67,158	152,657	167,105	386,920
Other income	17,243	1,499	3,586	6,153	11,238
Total income	613,940	68,657	156,243	173,258	398,158
Operating expenses					
Salaries and other staff expenses	127,763	12,254	28,246	34,989	75,489
Other	45,286	4,855	11,305	14,637	30,797
Total operating expenses	173,049	17,109	39,551	49,626	106,286
Cost of term debt	360,909	42,131	94,584	103,002	239,717
Net income before provision for losses	79,982	9,417	22,108	20,630	52,155
Provision for losses	42,242	5,799	19,932	19,509	45,240
Transferred to retained earnings	37,740	3,618	2,176	1,121	6,915
WRITE-OFFS					
Bad debts written off, net	15,444	1,599	3,932	9,509	15,040
YEAR-END BALANCE SHEET					
Loans and investments		1,277,003	1,414,663	1,493,825	
<i>Less:</i> provision for future losses		−31,000	−47,000	−57,000	
All other assets		31,991	49,596	56,751	
Total assets		1,277,994	1,417,259	1,493,576	
Capital, paid in by Canada		89,000	108,000	122,000	
Retained earnings		41,358	43,535	44,656	
Term debt outstanding		1,096,300	1,212,800	1,268,200	
All other liabilities		51,336	52,924	58,720	
Total liabilities		1,277,994	1,417,259	1,493,576	



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Federal Business Development Bank

Small Business 1970





FEDERAL
BUSINESS
DEVELOPMENT BANK

HEAD OFFICE
901 VICTORIA SQUARE, MONTREAL, QUE., H2Z 1R1

June 28th, 1979

The Hon. Robert R. de Cotret, P.C.,
Minister of Industry, Trade and Commerce,
Ottawa, Ontario.

Dear Mr. de Cotret:

In accordance with the provisions of the Federal Business Development Bank Act, I enclose my report for the year ended March 31st, 1979. Also enclosed is a statement of the Bank's accounts for this period which is signed and approved in the prescribed manner.

Yours truly,

Guy A. Lavigueur,
President.

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*R.F. Fiske, Chairman	Halifax, N.S.
D.R. Andrews	Kamloops, B.C.
G.K. Bouey	Ottawa, Ont.
S. Cloutier	Ottawa, Ont.
H.B. Cohen	Calgary, Alta.
*G.J. Desmarais	St. Lambert, Que.
C.C. Frenette	Montreal, Que.
*G.A. Lavigueur	Montreal, Que.
*J.D. Love	Ottawa, Ont.
H.H. MacKay	Regina, Sask.
*G.F. Osbaldeston	Ottawa, Ont.
R.G. Rankin	London, Ont.
Mrs. Ian J. Reid	St. John's, Nfld.
G.R. Sharwood	Toronto, Ont.

* Member of the Executive Committee

	1979	Fiscal Years 1978
Loans authorized:		
number	12,271	9,908
amount	\$668,593,000	\$479,324,000
Investments authorized:		
number	73	69
amount	\$18,361,000	\$11,736,000
Number of loan customers at March 31	35,264	33,130
Number of investment customers at March 31	112	94
Amount outstanding or committed to loan customers at March 31	\$1,853,326,000	\$1,614,260,000
Amount outstanding or committed to investment customers at March 31	\$27,374,000	\$17,040,000
CASE (Counselling Assistance to Small Enterprises):		
enquiries received	14,943	9,807
assignments completed	9,685	5,472
Management training seminars:		
number	1,365	1,049
participants	21,642	20,165
Small business information service:		
referrals to assistance programs	52,630	30,397

Report of the President

Fiscal 1979 was a banner year for FBDB. Both the financial and management services of the bank attained new levels of activity. The number and amount of loans and equity investments authorized in the year were greater than in any previous year in the bank's history. The number of CASE counselling assignments, management training seminars, and referrals to business assistance programs through the bank's small business information service also surpassed previous levels.

To accommodate this growth in its services, the bank reorganized the structure of its senior management, further decentralized lending activity, opened additional district, branch, and sub-branch offices, and its representatives made more visits to smaller centres to meet business people.

It was a most active year for the bank as it sought to fulfill its mandate from Parliament to provide financial and management services to small businesses anywhere in Canada.

Financial Services

Under the terms of the FBDB Act, the bank can extend financial assistance to businesses which is not available from other sources on reasonable terms and conditions. While the number of private and governmental sources of financing continues to increase — and this is beneficial to small business — the number of businesses which the bank can serve in its role as a supplemental lender also continues to grow. In fiscal 1979 the bank approved 12,271 loans for a total amount of \$668,593,000 up by 24% in number and 39% in amount over the previous fiscal year. At the year end, the bank had \$1.6 billion outstanding to 35,376 customers.

Not only did the bank make more term loans during the year, but it also assisted small business through 73 equity investments for a total of \$18,361,000, up from 69 investments for \$11,736,000 in fiscal 1978. Of the firms in which the bank has taken an equity position, some 70% are in manufacturing of which most are in the field of high technology. Currently the bank has investment commitments of \$27,374,000 to 112 companies.

In fiscal 1979, over half of FBDB financing was used by its customers to acquire fixed assets and the balance was used for other purposes such as improving working capital and effecting a change of ownership. It is estimated that FBDB financing assisted in the start-up of some 2,000 new Canadian enterprises in the year. Financing approved during the year for both new and existing firms is expected to generate direct employment for some 20,000 people. Currently, about 350,000 Canadians are employed by customers of the bank.

During the year, activity in the small business sector was up generally across the country and this was reflected not only in the growth of FBDB lending, but in the higher volume of business of other lenders, both private and public.

Various factors contributed to the increased activity by small business and subsequently by FBDB. The service sector and small manufacturing plants experienced a strong year in terms of production and employment. Another factor was the overall expansion of export trade; one manufacturing firm in twelve which is exporting is a borrower from FBDB. Another development was the increased activity by the fishing and associated industries, many of which are FBDB borrowers. Retail trade was also up in most regions of the country; the bank is a leading lender to retailers. Owing to the lower exchange rate of the dollar and improved domestic travel packages and facilities, more Canadians are vacationing in Canada. This has boosted the tourist industry which is a principal customer of the bank.

In addition to the stimuli in resource and tourist industries, export and other trades, the growth in the bank's lending also was the result of further improvement of its services. Lending authority of branch and regional offices was increased to permit them to approve almost all loans. Also, the services of the bank were made more readily available by the opening of new offices and the increased number of visits of FBDB representatives to many communities.

While the volume of lending by the bank rose during the year, many of its customers encountered difficulties and were in arrears in repaying their loans. Through deferments of repayments of principal, counselling, and in other ways, the bank tries to assist customers in arrears over difficult periods.

Management Services

(a) Counselling

The bank's counselling program, CASE (Counselling Assistance to Small Enterprises), supplements management counselling services available in the private sector. Counselling is provided in all areas of business management such as marketing, personnel, operations, and financial matters. The counselling is undertaken by some 1,900 retired business persons whose experience the bank makes available at a nominal fee to the client. The bank received nearly 15,000 enquiries for CASE service in fiscal 1979 and around 9,700 counselling assignments were completed. It is not necessary to be a borrower of the bank to obtain CASE service. In fact, most CASE clients are not borrowers.

(b) Training

To promote good management practices on the part of owners and operators of small businesses, the bank offers management training in the form of courses, seminars and other meetings. During the past year, more than 21,000 business people attended the 1,300 one-day seminars chiefly held in smaller centres across the country, at which they studied subjects such as marketing, taxation, bookkeeping, and cost controls.

The bank also prepared 30-hour courses for people operating small businesses and it makes these courses available for use by provincial and territorial education authorities as adult education courses at community colleges and elsewhere.

(c) Information

Various levels of government offer numerous programs of assistance for business. At its offices, the bank provides information about the programs, and enquirers are referred to the appropriate representatives for action. Last year, over 52,500 referrals were made through the bank's offices.

To help publicize the assistance programs, the bank holds information sessions to which the public is invited by advance advertising and where business people can learn about the various assistance programs; over 400 such sessions were held in fiscal 1979.

The bank's small business management booklets issued under the general heading of "Minding Your Own Business" continue to be well received. So too is its quarterly bulletin, "Small

Business News". Some 66,000 people now receive these publications which cover topics of interest to people concerned with small businesses.

As a further information service, reference libraries containing readily available books of interest to small business have been set up at all of the bank's offices for use by the public.

Financial Results

For the fiscal year under review, net income of \$19.0 million was earned, before the provision for possible future losses, compared with \$20.6 million for the previous 12-month period.

The bank enjoyed, as previously mentioned, a significant increase in authorizations and, accordingly, loans and investments outstanding at March 31st, 1979 were \$164 million over the previous fiscal year-end.

Investments almost doubled in the past year over the previous year and the bank is now a leading source of investment capital for small business. To accommodate this activity, the bank borrowed funds which increased its interest costs. In view of the continuing growth in investments, other means of funding this activity are being explored.

A consistent policy has been maintained for determining the provision for losses. Continuous reviews are made of each loan or investment account in difficulty or where problems seem likely. Overall, the quality of the bank's portfolio is showing an improving trend, although higher write-downs have had to be made for anticipated losses in the investment portfolio.

Net write-offs aggregated approximately \$12.9 million

Loans Authorized*					Equity Investments*			
Type of business	1979		1978		1979		1978	
	No.	Amount (\$'000)	No.	Amount (\$'000)	No.	Amount (\$'000)	No.	Amount (\$'000)
Manufacturing	2,322	\$158,581	1,760	\$107,864	51	\$10,323	50	\$10,017
Wholesale and retail trade	4,232	163,853	3,438	133,476	5	980	3	325
Tourist industry	2,424	160,519	1,901	109,284	3	2,226	—	—
Agriculture	408	28,638	354	18,001	—	—	1	130
Construction	650	36,376	578	22,683	3	1,044	1	25
Rental properties	457	41,027	388	26,653	—	—	—	—
Transportation and storage	399	22,410	358	20,235	2	2,503	2	235
Other	1,379	57,189	1,131	41,128	9	1,285	12	1,004
Total	12,271	\$668,593	9,908	\$479,324	73	\$18,361	69	\$11,736

Loans Authorized*					Equity Investments*			
Region	1979		1978		1979		1978	
	No.	Amount (\$'000)	No.	Amount (\$'000)	No.	Amount (\$'000)	No.	Amount (\$'000)
Atlantic	2,240	\$ 80,587	1,647	\$ 56,482	6	1,057	4	\$ 310
Quebec	1,823	131,176	1,678	102,660	19	5,517	18	4,072
Ontario	3,670	183,248	2,632	118,188	20	6,859	14	2,609
Prarie & Northern	1,540	111,691	1,387	82,137	13	3,435	16	2,450
British Columbia	2,998	161,891	2,564	119,857	15	1,493	17	2,295
Total	12,271	\$668,593	9,908	\$479,324	73	\$18,361	69	\$11,736

*In years ended March 31

compared with \$9.5 million for the previous year. The specific provision for losses which was \$33.5 million last year was increased to \$37 million this year; but the general improvement in the total portfolio permitted a reduction in the contingency provision for loans and investments, from \$23 million a year ago to \$21 million for fiscal 1979. Thus, the over-all provision for future losses on loans and investments was increased from \$56.5 million to \$58 million.

Organization

To accommodate the growth in the activities of the bank, various changes in organization and procedures were undertaken during the year. The realignment of the responsibilities of senior management at Head Office referred to in the last annual report was completed. A similar program was implemented in the five regional offices and new district offices were established in each region. This reorganization will provide more effective accountability of responsibilities at all offices, and improved service for the customers of the bank. In this latter connection, the limits of lending authority at regions and branch offices were substantially increased during the year and these offices now authorize a much larger volume of loans.

Branch offices were opened in Edmundston, New Brunswick and North Bay, Ontario, and sub-branches were established at Medicine Hat, Alberta and Duncan, Haney, Penticton, and Quesnel in British Columbia. The bank now has 89 branch offices and 10 sub-branches.

While the network of offices makes the bank's services readily available to the majority of business people, the bank extends its reach through visits by its representatives to all parts of the country. Advertised in advance, these visits permit business people to talk to the FBDB representatives on their home ground without having to travel to an FBDB office. Last year, 8,000 advertised visits were made to 800 communities and 20,500 enquiries were received.

Special impetus was given during the year to the staff training and development program of the bank. In various ways members of the staff are given opportunities to learn the different facets of the bank's operation and to develop their careers with FBDB.

Not only does the bank offer training to its own staff, but it provides training for representatives from foreign kindred organizations. FBDB is one of the oldest business development banks in the world and readily makes its experience available to help train staff from other development banks, particularly those operating in newer nations.

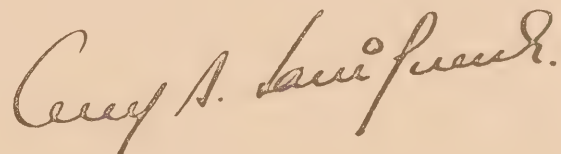
Board of Directors

On September 15, 1978, the Directors elected Mr. Ralph F. Fiske to be Chairman of the Board of Directors, succeeding Mr. Sol Kanee O.C. who resigned from the Board earlier in the year.

Mr. F. D. Rosebrugh retired from the Board upon completion of his term of office in June 1978.

Staff

The bank could not, of course, have achieved its record of service in fiscal year 1979 without the energetic efforts of the skilled and imaginative men and women in its employ. On behalf of the Board of Directors I express warm appreciation to the 2,160 members of the staff and to those associated with the CASE program for their contribution to the work of the bank in the year. I count on their continued strong support as the bank moves ahead into another year of service to small business in Canada.



Guy A. Lavigueur,
President



Statement of Operations for the year ended March 31, 1979

Financial services

	1979	1978
Income:		
Interest	\$177,144,410	\$167,104,909
Sundry	5,346,653	6,152,671
	<u>182,491,063</u>	<u>173,257,580</u>
Expenses:		
Salaries and employee benefits	35,866,215	34,989,184
Staff travel and transfers	4,029,245	3,317,499
Rental and other expenses - leased premises	5,108,966	4,745,277
Depreciation of fixed assets	1,242,454	1,177,644
Publicity	1,264,014	1,104,161
Telephone, telex and telegrams	1,682,522	1,312,096
Office supplies and expenses	1,496,973	1,335,512
All other operating expenses	2,754,712	2,224,062
Total operating expenses	<u>53,445,101</u>	<u>50,205,435</u>
Less: Charged to Management Services	957,000	580,000
Net operating expenses	<u>52,488,101</u>	<u>49,625,435</u>
Interest on term debt (including amortization of discount and premium on debentures)	111,021,995	103,002,037
Provision for losses on loans and for write-downs of investments	18,439,586	19,508,657
	<u>181,949,682</u>	<u>172,136,129</u>
Net income transferred to retained earnings	\$ <u>541,381</u>	\$ <u>1,121,451</u>

Management services

	1979	1978
Salaries and employee benefits	\$ 3,701,794	\$ 3,050,088
Staff travel and transfers	1,069,926	707,075
Rental and other expenses - leased premises	986,012	391,179
Publicity	253,143	212,367
Office supplies and expenses	316,785	398,917
Training Seminars	586,767	476,401
Training and Information Services publications	1,586,784	231,678
CASE counselling fees	1,995,604	1,404,160
All other operating expenses	<u>748,070</u>	<u>577,851</u>
	<u>11,244,885</u>	<u>7,449,716</u>
Charged by Financial Services	957,000	580,000
Total expenditures	<u>12,201,885</u>	<u>8,029,716</u>
Less: Revenue from CASE counselling, Training Seminar registration, etc.	<u>1,072,885</u>	<u>564,740</u>
Amount recovered from the Department of Industry, Trade and Commerce Vote 50	\$ <u>11,129,000</u>	\$ <u>7,464,976</u>
Total expenditures were incurred as follows:		
Management Counselling	\$ 4,415,611	\$ 3,049,305
Management Training	2,597,600	1,709,480
Information Services	2,542,915	1,733,659
Administration	1,358,292	682,808
Capital expenditures	<u>330,467</u>	<u>274,464</u>
	<u>11,244,885</u>	<u>7,449,716</u>
Charged by Financial Services	957,000	580,000
	<u>\$ 12,201,885</u>	<u>\$ 8,029,716</u>

Other Financial Statements for the year ended March 31, 1979

Statement of retained earnings

	1979	1978
Balance, beginning of year	\$ 44,656,126	\$ 43,534,675
Net income for the year	541,381	1,121,451
Balance, end of year	<u>\$ 45,197,507</u>	<u>\$ 44,656,126</u>

Statement of accumulated provision for possible future losses on loans and investments

	1979	1978
Balance, beginning of year	\$ 56,500,000	\$ 47,000,000
Recovery of amounts previously written off	301,074	223,080
Amounts written off during the year	(13,240,660)	(9,731,737)
	<u>43,560,414</u>	<u>37,491,343</u>
Additional provision required to provide for possible future losses	18,439,586	19,508,657
Portion of the above additional provision applied directly against the cost of investments	(4,000,000)	(500,000)
Balance, end of year	<u>\$ 58,000,000</u>	<u>\$ 56,500,000</u>

Statement of changes in cash position

	1979	1978
Source of cash:		
Loans from Canada	\$338,000,000	\$278,000,000
Short term loans from other sources	83,000,000	—
Capital paid in by Canada	14,000,000	14,000,000
Repayments by borrowers and investees	329,500,657	312,419,980
	<u>764,500,657</u>	<u>604,419,980</u>
Net income	541,381	1,121,451
Items not requiring an outlay of cash-		
Increment in accumulated provision for possible future losses	5,500,000	10,000,000
Depreciation of fixed assets	1,242,454	1,177,644
Net changes in accrued interest	836,025	(1,722,724)
Cash provided from operations	<u>8,119,860</u>	<u>10,576,371</u>
	<u>772,620,517</u>	<u>614,996,351</u>
Application of cash:		
Disbursements to borrowers and investees	497,663,341	391,581,636
Repayment of maturing debentures	171,500,000	171,600,000
Repayment of maturing notes	85,000,000	51,000,000
Repayment of short term loans from other sources	53,000,000	—
Other	3,635,623	1,080,765
	<u>810,798,964</u>	<u>615,262,401</u>
Net increase (decrease) in cash position	<u>\$(38,178,447)</u>	<u>\$ (266,050)</u>
Increase (decrease) in cash and Government of Canada Treasury Bills	<u>\$(27,876,293)</u>	<u>\$ 4,666,250</u>
Add: Decrease (increase) in cheques outstanding	<u>(10,302,154)</u>	<u>(4,932,300)</u>
	<u>\$(38,178,447)</u>	<u>\$ (266,050)</u>

Statement of Assets and Liabilities as at March 31



Assets

	1979	1978
Cash	\$ 2,117,840	\$ 1,953,381
Government of Canada Treasury Bills	3,095,412	31,136,163
	5,213,252	33,089,544
Loans (note 2)	1,638,926,621	1,481,677,283
Investments, at cost		
less write-downs (notes 2 and 3)	18,560,909	11,647,563
	1,657,487,530	1,493,324,846
Interest due and accrued	18,815,247	17,752,852
	1,676,302,777	1,511,077,698
Less: Accumulated provision for possible future losses	58,000,000	56,500,000
	1,618,302,777	1,454,577,698
Fixed assets at cost, less accumulated depreciation	4,217,505	4,047,655
Other assets	3,937,074	1,861,149
	\$1,631,670,608	\$1,493,576,046

APPROVED BY THE BOARD

Claude C. Frenette, Director

Guy A. Lavigueur, Director

Liabilities

	1979	1978
Cheques outstanding	\$ 27,921,124	\$ 17,618,970
Short term notes	30,000,000	—
Accrued interest on debentures	15,378,031	20,432,090
Accrued interest on short and long term notes	23,551,380	16,598,890
Other liabilities	3,530,103	3,338,169
	100,380,638	57,988,130
Debentures outstanding (note 4)	473,700,000	645,200,000
Debenture premium and discount less amortization	392,463	731,790
	474,092,463	645,931,790
Notes held by Canada (note 5)	876,000,000	623,000,000
Capital:		
Capital paid in by Canada under the Federal Business Development Bank Act	136,000,000	122,000,000
Retained earnings, per statement attached	45,197,507	44,656,120
	181,197,507	166,656,120
	\$1,631,670,608	\$1,493,576,046

Auditor's Report

The Honourable Minister of Industry,
Trade and Commerce,
Ottawa, Ontario

Sir:

I have examined the statement of assets and liabilities of the Federal Business Development Bank as at March 31, 1979 and the statements of operations, retained earnings, changes in cash position and accumulated provision for possible future losses on loans and investments for the year then ended. My examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present a true and fair view of the financial position of the Bank as at March 31, 1979 and the results of its operations, the changes in its cash position and the changes in the accumulated provision for possible future losses on loans and investments for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

I further report that, in my opinion, proper books of account have been kept by the Bank, the financial statements are in agreement therewith and the transactions that have come under my notice have been within the statutory powers of the Bank.

Yours very truly,

Raymond J. Morcel, C.A.
of Price Waterhouse & Co
Montreal, Quebec

May 25, 1979

Notes to Financial Statements as at March 31, 1979

1. Significant accounting policies:

Loans and investments

Loans and investments are recorded as assets when disbursed. Each loan remains as an asset until it is repaid or until realization of its security. Each investment remains as an asset until it is sold or written off. Unrealized gains on investments are not recognized in the accounts. Losses on loans and investments are provided for as described in the following paragraph.

Provision for losses on loans and for write-downs of investments

A charge against income is made to adjust the accumulated provision for possible future losses to the level which provides for specifically identified probable losses on loans, as well as for contingent future losses and to reflect write-downs of investments. The contingent portion of the accumulated provision is based on historical experience and is intended to cover future losses on loans and investments which have not yet been specifically identified. Write-downs of investments are recorded whenever a significant negative change occurs, or appears likely to occur in the investee's business development plan.

Revenue recognition

Interest on loans is recorded as income on an accrual basis except that interest is not accrued on loans where management believes that the interest will not be recovered. Dividends and capital gains on investments are recorded as income when received.

Fixed assets and depreciation

Fixed assets are recorded at historical cost. Leasehold improvements are depreciated under the straight-line method over the term of each individual lease. Other fixed assets are depreciated using the diminishing balance method at rates based on the estimated useful lives of such assets.

2. Loan and investment commitments:

The amounts not disbursed at March 31, 1979 on loans and investments authorized aggregated approximately \$223,000,000 (1978 — \$138,000,000).

3. Investments, at cost less write-downs, as at March 31, were as follows:

	1979	1978
Shares	\$ 5,356,835	\$ 4,711,609
Shareholder Advances	9,517,319	3,852,014
Participating Debentures	5,334,886	2,774,940
Convertible Debentures	2,851,869	809,000
	<u>23,060,909</u>	<u>12,147,563</u>
Less: amount of write-downs	4,500,000	500,000
	<u>\$18,560,909</u>	<u>\$11,647,563</u>

4. Debentures issued to and held by the Bank of Canada at March 31, 1979 were as follows:

Maturities by Fiscal Year (in thousands of dollars)

Rate %	1980	1981	1982	Total
7-7 7/8	\$ 78,400	\$ 51,400	\$ 44,200	\$174,000
8-8 7/8	70,400	40,000	39,800	150,200
9-9 7/8	22,300	79,600	47,600	149,500
	<u>\$171,100</u>	<u>\$171,000</u>	<u>\$131,600</u>	<u>\$473,700</u>

5. Notes held by Canada at March 31, 1979 were as follows:

Maturities by Fiscal Year (in thousands of dollars)

Rate %	1980	1981	1982	1983	1984	1985-87	Total
7-7 7/8	\$ 35,000	\$ 34,000	\$ 21,000	\$ —	\$ —	\$ —	\$ 90,000
8-8 7/8	32,000	34,000	47,000	53,000	54,000	70,000	290,000
9-9 7/8	61,000	61,000	60,000	75,000	75,000	164,000	496,000
	<u>\$128,000</u>	<u>\$129,000</u>	<u>\$128,000</u>	<u>\$128,000</u>	<u>\$129,000</u>	<u>\$234,000</u>	<u>\$876,000</u>

6. Contingent liabilities:

The Bank is contingently liable as guarantor of loans aggregating \$12,087,000.

7. Pension Fund:

The Bank has a pension plan for its employees which is contributory and trustee. Related costs, net of employees' contributions, are charged to earnings as paid. The plan at present is fully funded.

8. Statutory limitations on operations:

In accordance with its act of incorporation, the capital (including retained earnings) of the Bank may not exceed a total of two hundred million dollars and the aggregate of the direct and contingent liabilities shall not, at any time, exceed ten times the amount of such capital of the Bank.

9. Comparative financial data:

Certain amounts pertaining to the fiscal year ended March 31, 1978 have been reclassified to comply with the presentation adopted for the fiscal year ended March 31, 1979.

Loan approvals during fiscal years ended March 31



Classification by new or existing borrowers:

	Number				Amount (\$000)			
	1976	1977	1978	1979	1976	1977	1978	1979
To new borrowers	7,187	6,624	6,977	8,400	329,550	311,792	348,240	476,738
To existing borrowers	2,901	2,687	2,931	3,871	125,103	112,284	131,084	191,855
Total	10,088	9,311	9,908	12,271	454,653	424,076	479,324	668,593

Classification by size:

\$25,000 or less	4,812	4,327	4,605	5,562	70,171	61,982	64,244	77,168
Over 25,000 to 50,000	2,982	2,812	3,085	3,498	113,710	106,372	122,088	136,129
Over 50,000 to 100,000	1,582	1,475	1,362	1,880	119,073	109,888	102,673	138,372
Over 100,000 to 500,000	684	662	812	1,240	124,726	119,218	147,986	235,613
Total up to \$500,000	10,060	9,276	9,864	12,180	427,680	397,460	436,991	587,282
Over \$500,000	28	35	44	91	26,973	26,616	42,333	81,311
Total	10,088	9,311	9,908	12,271	454,653	424,076	479,324	668,593
Average size					45	46	48	54

Classification by Province:

Newfoundland	346	304	493	676	9,959	7,896	15,282	28,737
Prince Edward island	65	66	85	101	1,654	2,201	2,573	3,562
Nova Scotia	435	428	582	758	12,079	11,422	17,718	20,353
New Brunswick	341	345	487	705	10,780	10,877	20,909	27,935
Quebec	1,721	1,725	1,678	1,823	92,082	100,660	102,660	131,176
Ontario	2,629	2,505	2,632	3,670	114,279	104,658	118,188	183,248
Manitoba	222	204	222	260	12,247	8,530	12,710	17,831
Saskatchewan	226	271	230	227	11,293	15,465	15,293	17,351
Alberta	1,033	963	879	983	45,530	52,476	50,054	69,409
British Columbia	2,979	2,446	2,564	2,998	139,862	104,171	119,857	161,891
Yukon	30	25	20	34	2,218	3,903	1,910	4,236
Northwest Territories	61	29	36	36	2,670	1,817	2,170	2,864
Total	10,088	9,311	9,908	12,271	454,653	424,076	479,324	668,593

Classification of loan approvals by type of business

during fiscal years ended March 31

	Number				Amount (\$000)			
	1976	1977	1978	1979	1976	1977	1978	1979
Manufacturing:								
Foods and beverages	163	184	197	275	13,810	13,080	12,582	18,734
Rubber products	9	1	8	11	619	50	2,217	984
Leather products	16	18	18	35	1,043	693	651	2,155
Textile products (except clothing)	36	33	44	44	2,374	1,332	2,078	2,540
Clothing (textiles and fur)	64	57	49	86	2,802	2,770	2,110	3,825
Wood products	309	334	356	424	14,754	17,735	22,897	31,516
Paper products (including pulp)	26	26	22	47	5,282	1,354	1,615	5,721
Printing and allied industries	201	151	176	218	6,495	4,619	6,429	7,686
Iron and steel products								
(including machinery and equipment)	460	399	412	520	21,004	20,551	28,429	38,772
Transportation equipment	85	82	79	105	6,139	5,744	4,763	7,447
Non-ferrous metal products	10	11	10	15	488	273	1,113	903
Electrical apparatus and supplies	44	53	62	79	2,422	2,137	5,555	4,787
Non-metallic mineral products	100	92	118	153	5,481	4,442	7,701	13,891
Chemical products	43	37	43	44	1,926	2,118	2,819	4,757
Miscellaneous manufacturing industries	180	167	166	266	8,283	10,343	6,906	14,863
Commercial air services	57	47	67	51	3,804	2,561	6,064	4,843
Warehousing (including refrigeration)	11	21	18	20	557	3,183	1,242	2,481
Other transportation and storage	265	229	273	328	10,915	9,242	12,930	15,086
Electric power, gas, water utilities	40	13	17	37	1,475	558	649	2,260
Mines (including milling), quarries, oil wells	50	36	48	55	2,938	3,087	2,239	4,471
Construction	570	440	578	650	22,327	18,334	22,683	36,376
Industrial buildings	507	456	388	457	34,505	32,536	26,652	41,027
Personal services	108	89	101	140	2,899	2,324	2,600	4,444
Forestry	77	75	102	127	2,630	2,515	3,152	5,293
Wholesale trade	513	518	512	672	25,450	24,519	26,765	35,526
Retail trade	2,878	2,790	2,926	3,560	97,991	94,717	106,711	128,327
Education and health services	78	57	80	75	6,026	2,768	3,573	3,961
Recreation services	132	108	132	220	7,582	7,249	7,820	20,418
Services to business management	205	174	222	278	8,230	6,524	8,146	9,943
Miscellaneous services	259	277	272	321	7,774	7,999	7,950	12,324
Agriculture	598	474	354	408	26,211	23,742	18,001	28,638
Fishing and trapping	71	42	40	48	2,169	1,642	1,673	1,796
Communications	22	13	24	20	1,583	643	1,748	1,855
Laundries, cleaners and pressers	174	148	156	187	5,021	5,056	5,977	7,048
Restaurants and other eating places	1,145	1,148	1,315	1,655	49,205	52,241	58,824	81,552
Hotels, motels and other lodgings	520	446	454	549	40,001	31,930	42,640	58,549
Theatres, bowling alleys, billiard halls	62	65	69	91	2,438	3,465	3,420	3,796
	10,088	9,311	9,908	12,271	454,653	424,076	479,324	668,593



Provincial distribution of accounts

	at March 31, 1979	
	Number of customers	Amounts outstanding (\$000)
Newfoundland	1,371	48,210
Prince Edward Island	319	9,675
Nova Scotia	1,635	46,434
New Brunswick	1,458	56,088
Quebec	6,412	363,156
Ontario	9,742	410,495
Manitoba	892	42,982
Saskatchewan	924	47,022
Alberta	3,305	154,224
British Columbia	9,059	458,410
Yukon	124	11,983
Northwest Territories	135	8,808
Total	35,376	\$1,657,487

Summary statistics of accounts

(millions of dollars)	For fiscal years ended March 31			
	1976	1977	1978*	1979
Disbursements to borrowers and investees	372.9	369.4	391.6	497.7
Repayments by borrowers and investees including amounts written off or written down	188.8	231.8	312.9	333.5
Increase in net amounts outstanding	184.1	137.6	78.7	164.2
Amounts outstanding at year-end	1,277.0	1,414.6	1,493.3	1,657.5
Amounts not yet disbursed at year-end	120.6	110.7	138.0	223.2
Amounts outstanding plus undisbursed at year-end	1,397.6	1,525.3	1,631.3	1,880.7
Number of customers on the books at year-end	29,274	31,925	33,224	35,376
Average amount outstanding plus undisbursed per customer (thousands of dollars)	48	48	49	53

*Reclassified as per note 9 to the financial statements

Atlantic Region

Loans authorized in years ended March 31

	1979				1978			
	No.	%	Amount (\$000)	%	No.	%	Amount (\$000)	%
Manufacturing	262	12	10,265	13	170	10	6,931	12
Wholesale and retail trade	970	43	27,435	34	763	46	22,451	40
Tourist industry	487	22	18,541	23	318	19	14,306	25
Agriculture	19	1	707	1	14	1	454	1
Construction	139	6	7,678	10	109	7	3,177	6
Rental properties	72	3	6,454	8	44	3	2,770	5
Transportation & storage	66	3	1,650	2	53	3	1,321	2
Other	225	10	7,857	9	176	11	5,072	9
Total	2,240	100	\$80,587	100	1,647	100	\$56,482	100

Management services in years ended March 31

	1979	1978
CASE counselling		
— enquiries	2,352	1,586
— assignments completed	1,374	874
Management training seminars	206	146
Small business information service		
— referrals to assistance programs	11,148	3,015

Atlantic Regional Office

Suite 1400, Cogswell Tower,
Scotia Square,
Halifax, N.S. B3J 3K1

Vice-President and Regional Manager: D.A. Kerley

Assistant General Managers:

- Atlantic East District: M.A. Renfrew
- Atlantic West District: A. Highet
- Financial Services: J.P. Michaud
- Management Services: E.K. Harding

Director, Personnel: T.V. McDonnell

Project Director: T.A. Gallant

Regional Counsellor: D.G. Fitzgerald

Regional Solicitor: G.P. Bauchman

Manager, Administration: T.F. Clahane

Manager, Information and Training, Management Services: H.C. Hillyard

Manager, Special Services: D.M. Baker

Branch Offices

Newfoundland
Corner Brook

Manager: J.J. Ryan
Assistant Manager: L.A. Parsons
Manager: C. Moulton
Manager: K.E. Mercer
Assistant Managers: W.R. Batten F. Murrin

Grand Falls
St. John's

Nova Scotia
Bridgewater
Halifax

Manager: S.M. McKinnon
Manager: F.D. Parsons
Assistant Managers: B.A. Conrad, K.W.F. Crichton
Manager: F.J. Power
Manager: R.W. Tobin
Assistant Manager: D.H. Faloon

Sydney
Truro

New Brunswick
Bathurst
Edmundston
Fredericton
Moncton
Saint John

Manager: J.D. LeVasseur
Manager: J.F. Lemoine
Manager: R.D. Artz
Manager: D.G. Fulton
Manager: J.E. McNulty
Assistant Manager: B.B. Leonard

Prince Edward Island
Charlottetown

Manager: G.J. Martin

CASE Offices

Corner Brook, Nfld.
St. John's, Nfld.
Halifax, N.S.

Coordinator: G.H. Myrden
Coordinator: G.P. Angel
Coordinator: W. Pigdon
Deputy Coordinator: D. Myers
Coordinator: D.J. McDonald
Coordinator: F.S. Gorham
Coordinator: C.G. Bird
Coordinator: W.J. Bigelow

Sydney, N.S.
Fredericton, N.B.
Moncton, N.B.
Charlottetown, P.E.I.

Loans authorized in years ended March 31

	1979				1978			
	No.	%	Amount (\$000)	%	No.	%	Amount (\$000)	%
Manufacturing	528	29	47,397	36	474	28	37,140	36
Wholesale and retail trade	572	31	32,540	25	542	32	27,749	27
Tourist industry	336	18	24,648	19	321	19	18,105	17
Agriculture	25	1	3,847	3	23	1	2,684	3
Construction	81	5	4,050	3	80	5	4,107	4
Rental properties	75	4	7,976	6	43	3	2,671	3
Transportation & storage	52	3	3,308	2	46	3	3,247	3
Other	154	9	7,410	6	149	9	6,957	7
Total	1,823	100	\$131,176	100	1,678	100	\$102,660	100

Management services in years ended March 31

	1979	1978
CASE counselling		
— enquiries	1,760	1,192
— assignments completed	977	666
Management training seminars	265	161
Small business information service		
— referrals to assistance programs	20,407	14,243

Quebec Regional Office

Suite 4600, Place Victoria
800 Victoria Square
Montreal, Que. H4Z 1C8

Vice-President and Regional General Manager: J.Y. Milette

Deputy General Manager: J.P. Lagacé

Assistant General Managers:

Eastern Quebec District: J.A. Dugas

Montreal Metropolitan District: G.W. Madore

Western Quebec District: R. Trudeau

Financial Services: R.J. Lafond

Management Services: J.C. Martin

Director, Personnel: R. Leahey

Project Director: J.D. Casavant

Assistant Project Directors: S. Bayer, R. Bernaquez

Regional Counsellor: J.P. Dubeau

Regional Solicitor: R. Gauthier

Assistant Regional Solicitors: A. Koch, J.Y. Monfette

Regional Training Officer: J.R.P. Marceau

Manager, Administration: P.H. Johnson

Manager, Information and Training, Management Services: G. Léonard

Investment Manager: L.D. Laporte

Assistant Investment Manager: T. Van de Kletersteeg

Manager, Special Services: A. Locas

Assistant Manager, Special Services: A. Leblanc-Davault

Branch Offices

Chicoutimi
Drummondville
Granby
Hull

LaSalle
Laval
Lévis
Longueuil

Montreal (Place Frontenac)
Montreal (Place Victoria)

Quebec

Rimouski

Rouyn-Noranda

St-Jérôme

St-Laurent

St-Léonard

Sept-Îles
Sherbrooke

Trois-Rivières
Valleyfield

Manager: M. Bégin

Manager: S.Y. Joubert

Manager: D. Blouin

Manager: F. Roy

Assistant Manager: J. Drouin

Manager: A.J. Hudson

Manager: R. Germain

Manager: J. Bigaouette

Manager: M. Létourneau

Assistant Managers: M. Paquette, R.R. Poirier

Manager: M. Bourret

Assistant Managers: G. Choinière,
N. Photiades

Manager: J.G. Germain

Assistant Managers: J. Hudon

M. Tremblay

Manager: G. Brunelle

Assistant Managers: G.G. Lapierre,
D. Poirier

Manager: J.C. St-Cyr

Assistant Manager: A. Brunelle

Manager: J. Lemay

Assistant Manager: A. Maccabée

Manager: R. Cosma

Assistant Managers: W.J. Booth,
M. Lapointe

Manager: J.A. Boudreau

Assistant Managers: S.N. Gariépy, M. Ré

Manager: N. Lancup

Manager: L. Provencher

Assistant Manager: A. Bourdeau

Manager: G. Perrin

Manager: J.P. Hébert

CASE Offices

Chicoutimi *Coordinator:* G.E. Lessard

Laval *Coordinator:* R. April

Longueuil *Coordinator:* G.-M. Rhéaume

Montreal *Coordinator:* G. Tellier-Masson

Quebec *Coordinator:* L.P. Gilbert

St-Laurent *Coordinator:* L. Caron

Sherbrooke *Coordinator:* R. Lortie

Trois-Rivières *Coordinator:* J.-C. Gagnon



Loans authorized in years ended March 31

	1979				1978			
	No.	%	Amount (\$000)	%	No.	%	Amount (\$000)	%
Manufacturing	889	24	57,842	32	570	22	26,407	22
Wholesale and retail trade	1,256	34	45,060	25	886	33	33,942	29
Tourist industry	708	19	38,551	21	527	20	29,107	24
Agriculture	129	4	7,903	4	101	4	5,500	5
Construction	176	5	8,632	5	140	5	5,590	5
Rental properties	79	2	4,834	2	71	3	4,154	4
Transportation & storage	89	3	6,483	3	71	3	3,550	3
Other	344	9	13,943	8	266	10	9,938	8
Total	3,670	100	\$183,248	100	2,632	100	\$118,188	100

Management services in years ended March 31

	1979	1978
CASE counselling		
— enquiries	3,846	2,076
— assignments completed	2,234	896
Management training seminars	340	241
Small business information service		
— referrals to assistance programs	11,389	5,921

Ontario Regional Office

250 University Avenue
Toronto, Ont. M5H 3E5

Vice-President and Regional General Manager: K.A. Powers

Deputy General Manager: R.M. Williams

Assistant General Managers:

Eastern Ontario District: E.T. Brignall

Metropolitan Toronto District: W.Y. Torrance

Northern Ontario District: F.T. Watters

South Western Ontario District: J.G. Wilson

Financial Services: G.W. Kyte

Management Services: D.S. Brown

Director, Personnel: J.H. Miller

Project Director: K.R. Elliott

Assistant Project Director: G.A. Thomas

Regional Director of Management Services: R.L. Frizell

Regional Counsellor: J.R. Bernard

Assistant Regional Counsellor: J.D. Carruthers

Regional Solicitor: J.W. Hercus

Regional Legal Officer: B.K. Grafen

Regional Training Officer: J.T.D. Mulqueen

Manager, Administration: E.D. McCrindell

Assistant Manager, Administration: E.C. Murray

Investment Manager: R.M. Jack

Assistant Investment Manager: J.G. Ryter

Branch Offices

Barrie

Manager: I.A. Smith

Assistant Manager: R.A. Coates

Chatham

Manager: W. Stoof

Assistant Manager: R.L. Honsberger

Etobicoke

Manager: E. Wilk

Hamilton

Manager: C.A. Graham

Assistant Manager: A.N. Forbes

Kenora

Manager: M. Fostyk

Assistant Manager: D. Ryter

Kingston

Manager: D.R. Warne

Assistant Manager: N.G.W. Peever

Kitchener-Waterloo

Manager: J.R. Sugden

Assistant Manager: M.L. Regis

London

Manager: W.J.H. Prest

Assistant Managers: R.C. McKay, P.H. San Vicente

North Bay

Manager: K.D. Brodthagen

Oakville

Manager: R.A. Lewis

Assistant Manager: M.H. Walker

Oshawa

Manager: K.W. Bolam

Assistant Manager: W.S. Beatty

Ottawa

Manager: J.M. Boucher

Assistant Managers: W.E. Butcher, A.M. Chong

Owen Sound

Manager: H.A. Sheldon

Peterborough

Manager: G.J. Marshall

Assistant Manager: W.R. Rounding

St. Catharines

Manager: R.J. Kenny

Assistant Manager: J.I. McKiernan

Sault Ste. Marie

Manager: K.G. Hopper

Assistant Manager: R.B. Rogers

Scarborough

Manager: C.W. Chidley

Stratford

Manager: D.L. Muir

Assistant Manager: R.J. Bogdon

Sudbury

Manager: M.W. Gallow

Thunder Bay

Manager: J.C. Bru

Assistant Manager: A. MacKay

Timmins

Manager: J.P. Houle

Toronto

Manager: T.G. Gilmour

Assistant Managers: N.J. Clark G.E. Powley

Toronto-North

Manager: D.R. Johnson

Assistant Managers: A.G. Acton, R.J. Nelson

Windsor

Manager: A.C. Giggins

Assistant Manager: C.M. Thurgood

Woodstock

Sub-branch to London

CASE Offices

Hamilton

Coordinator: J.J. Franklin

Deputy Coordinator: G. E. Adolph

Kitchener-Waterloo

Coordinator: P. Erickson

London

Coordinator: P.R. St-Cyr

Oshawa

Coordinator: L.D. MacInnis

Ottawa

Coordinator: J.M. Garland

Sault Ste. Marie

Coordinator: L. Hannah

Toronto

Coordinator: A.S. Gammage

Deputy Coordinator: L. L. Prior

Toronto-North

Coordinator: C. Boukydis

Windsor

Coordinator: D. Bennett

Prairie and Northern Region



Loans authorized in years ended March 31

	1979				1978			
	No.	%	Amount (\$000)	%	No.	%	Amount (\$000)	%
Manufacturing	186	12	13,476	12	174	13	15,419	19
Wholesale and retail trade	562	36	26,981	24	500	36	21,218	26
Tourist industry	294	19	34,641	31	239	17	19,270	23
Agriculture	87	6	7,264	7	81	6	3,869	5
Construction	109	7	8,228	7	90	6	4,303	5
Rental properties	61	4	7,763	7	69	5	5,922	7
Transportation & storage	58	4	4,784	4	65	5	5,661	7
Other	183	12	8,554	8	169	12	6,475	8
Total	<u>1,540</u>	<u>100</u>	<u>\$111,691</u>	<u>100</u>	<u>1,387</u>	<u>100</u>	<u>\$82,137</u>	<u>100</u>

Management services in years ended March 31

	1979	1978
CASE counselling		
— enquiries	2,547	1,968
— assignments completed	1,429	944
Management training seminars	254	246
Small business' information service		
— referrals to assistance programs	3,328	3,878

Prairie and Northern Regional Office

161 Portage Avenue
Winnipeg, Man R3B 0Y4

Vice-President and Regional General Manager: R.H. Wheeler

Deputy General Manager: M.D. Rudkin

Assistant General Managers:

Manitoba/Saskatchewan District: J.T. Horne

Northern Alberta District: M.T. Collins

Southern Alberta District: D.K. Wiggins

Financial Services: J.W. Melymick

Management Services: D.F. Goodman

Director, Personnel: R.C. Allison

Project Director: D.G. McCrae

Regional Counsellor: H. Swartz

Regional Solicitor: H.K. Olson

Assistant Regional Solicitor: J.D. Brown

Regional Training Officer: R.J. McGregor

Manager, Administration: H.D. Ramsey

Investment Manager: N.C. Oakley

Manager, Special Services: A.R. Hoffman

Branch Offices

Manitoba

Brandon

St-Boniface

Winnipeg

Manager: R.L. Gibson

Manager: A.E. de Laforest

Manager: H.H. Dashevsky,

Assistant Manager: B.M. Massier

Saskatchewan

Prince Albert

Regina

Manager: T.W. Tucker

Manager: G.J. Hiltz

Assistant Manager: W.E. Darling

Manager: W. Schmidt

Assistant Manager: M.J. Valentini

Alberta

Calgary

Manager: J.E. Evans

Assistant Managers: G.M. Benke, G.D. Flegel

Calgary South

Manager: N.L. Crowe

Assistant Manager: B.J. Giesbrecht

Edmonton

Manager: L.C. Holmstrom

Assistant Managers: R.A. Kerr, J.L. Reimer

Edmonton South

Manager: L.A. Zachary

Assistant Manager: J.E. Dalrymple

Edmonton West

Manager: J.W. Feindel

Assistant Manager: A.J. Brockmeyer

Grande Prairie

Manager: T.E. Wright

Assistant Managers: P.F. Choropita,

G.H. Petersen

Lethbridge

Manager: H.G. Basler

Assistant Manager: J.M. Davis

Medicine Hat

Sub-branch to Lethbridge

Red Deer

Manager: W.L. Hutton

Assistant Manager: B.A. Johnson

Northwest Territories

Yellowknife

Sub-branch to Edmonton

Yukon

Whitehorse

Sub-branch to Grande Prairie

CASE Offices

Brandon, Man.

Winnipeg, Man.

Coordinator: E.A. MacDonald

Coordinator: A. D'Abreu

Deputy Coordinator: G. Smith

Regina, Sask.

Coordinator: R.B. Dickert

Saskatoon, Sask.

Coordinator: J.G. Moen

Calgary, Alta

Coordinator: D.W. Harris

Deputy Coordinator: A.A. Nicholls

Edmonton, Alta

Coordinator: W. Newbigging

Deputy Coordinator: C.H. Brunt

Lethbridge, Alta

Coordinator: L.H. Maybin



Loans authorized in years ended March 31

	1979				1978			
	No.	%	Amount (\$000)	%	No.	%	Amount (\$000)	%
Manufacturing	457	15	29,598	18	495	19	28,423	24
Wholesale and retail trade	872	29	31,837	20	747	29	28,116	23
Tourist industry	599	20	44,139	27	496	19	28,496	24
Agriculture	148	5	8,917	5	135	5	5,495	5
Construction	145	5	7,789	5	159	6	5,506	5
Rental properties	170	6	14,002	9	161	6	11,135	9
Transportation & storage	134	4	6,184	4	123	5	6,456	5
Other	473	16	19,425	12	248	11	6,230	5
Total	<u>2,998</u>	<u>100</u>	<u>\$161,891</u>	<u>100</u>	<u>2,564</u>	<u>100</u>	<u>\$119,857</u>	<u>100</u>

Management services in years ended March 31

	1979	1978
CASE counselling		
— enquiries	4,438	2,985
— assignments completed	3,671	2,092
Management training seminars	300	255
Small business information service		
— referrals to assistance programs	6,358	3,340

B.C. Regional Office

900 West Hastings Street
Vancouver, B.C. V6C 1E7

Vice-President and Regional General Manager: H.W. Baker

Deputy General Manager: D.M. Carter

Assistant General Managers:

Interior District: T.F. Ching

Island District: M.J. Walsh

Valley District: R.B. Thomas

Vancouver District: R.P. Dohan

Financial Services: C.B. Ready

Management Services: G.B.G. Ross

Director, Personnel: T.W. Graham

Personnel Officers: M.H. Morris, F.R. Wickham

Project Director: R.E.M. Karyula

Assistant Project Director: J.H. Auld

Regional Counsellor: J.T. Melvin

Regional Solicitor: T.A. James

Assistant Regional Solicitor: W.J. Birney

Regional Training Officer: J.A. McKee

Manager, Administration: R.E. McMurray

Assistant Manager, Administration: R. Morford

Manager, Information and Training, Management Services: J.F. Noonan

Investment Manager: J.G.T. Wong

Manager, Special Services: L.H. Lieberman

Branch Offices

Abbotsford	Sub-branch to Chilliwack
Burnaby	<i>Manager:</i> G.C. Hamilton <i>Assistant Manager:</i> E.J. Murray
Campbell River	<i>Manager:</i> D.W. Forsyth <i>Assistant Manager:</i> K.P. Carlsen
Chilliwack	<i>Manager:</i> M. Gumphrich <i>Assistant Manager:</i> R.B. Andersen
Courtenay	Sub-branch to Campbell River
Cranbrook	<i>Manager:</i> R.M. Leite <i>Assistant Manager:</i> W.H.W. Westlands
Duncan	Sub-branch to Nanaimo
Haney	Sub-branch to New Westminster
Kamloops	<i>Manager:</i> D.H. Van Dusen <i>Assistant Manager:</i> R.G. Newman
Kelowna	<i>Manager:</i> M.G.H. O'Reilly <i>Assistant Manager:</i> T.R. King
Langley	<i>Manager:</i> M. Kartasheff <i>Assistant Manager:</i> G. Martin
Nanaimo	<i>Manager:</i> H.C. Tomasson <i>Assistant Managers:</i> M. Dukes, A.O. Seib
New Westminster	<i>Manager:</i> J. Penman <i>Assistant Managers:</i> R.T. Fleming G.K. Gustafson, E.L. Phillips
North Vancouver	<i>Manager:</i> F.A. Reiter <i>Assistant Manager:</i> B. Kohl
Penticton	Sub-branch to Kelowna
Prince George	<i>Manager:</i> D.F. Watkins <i>Assistant Managers:</i> B.H. Forrest, R.J. Goulet
Quesnel	Sub-branch to Williams Lake
Richmond	<i>Manager:</i> J.A. Taggart <i>Assistant Manager:</i> R.E. Berze
Terrace	<i>Manager:</i> B.D. Parsons <i>Assistant Manager:</i> J.E. Jongeneel
Vancouver	<i>Manager:</i> G. Kirkwood <i>Assistant Managers:</i> N.W. Bell, R.A. Groulx, G. MacCulloch
Vancouver East	<i>Manager:</i> E.J. Popil <i>Assistant Manager:</i> J.S. Russo
Vernon	<i>Manager:</i> R.S. Keyes <i>Assistant Manager:</i> H.G. Faerber
Victoria	<i>Manager:</i> R.W. Gray <i>Assistant Managers:</i> D.B. Collier, J. Foster, B.B. Nimetz
Williams Lake	<i>Manager:</i> J.E. Burnett <i>Assistant Manager:</i> D.P. Murison

CASE Offices

Cranbrook	<i>Coordinator:</i> R.J. Duthie
Kamloops	<i>Coordinator:</i> W.P. Anhorn
Kelowna	<i>Coordinator:</i> H.O. Schoening
Nanimo	<i>Coordinator:</i> K.L. Burluck
New Westminster	<i>Coordinator:</i> G.S. Denby <i>Deputy Coordinator:</i> W.V. Daly
North Vancouver	<i>Coordinator:</i> J.D. Gough
Prince George	<i>Coordinator:</i> P.J. Schneider
Vancouver	<i>Coordinator:</i> A.G. Culver <i>Deputy Coordinators:</i> J.C. Bain, G. Fawcett
Victoria	<i>Coordinator:</i> J.A. Baines



Officers

<i>President</i>	G. A. Lavigueur	Montreal
<i>Executive Vice-President</i>	E. C. Scott	Montreal
<i>Vice-President, Finance</i>	J. E. Nordin	Montreal
<i>Vice-President, Financial Services</i>	E. A. Bell	Montreal
<i>Assitant Vice-President, Financial Services</i>	K. E. Neilson	Montreal
<i>Vice-President, Inspection</i>	G. Bourbonnière	Montreal
<i>Vice-President, Management Services</i>	E. A. Duddle	Montreal
<i>Vice-President, Personnel</i>	I. D. MacLaren	Montreal
<i>Vice-President, Public Affairs and Secretary</i>	M. F. Clooney	Montreal
<i>Vice-President and Regional General Manager, Atlantic Region</i>	D. A. Kerley	Halifax
<i>Vice-President and Regional General Manager, Quebec Region</i>	J. Y. Milette	Montreal
<i>Vice-President and Regional General Manager, Ontario Region</i>	K. A. Powers	Toronto
<i>Vice-President and Regional General Manager, Prairie & Northern Region</i>	R. H. Wheeler	Winnipeg
<i>Vice-President and Regional General Manager, British Columbia Region</i>	H. W. Baker	Vancouver

Head Office, Montreal

Finance Department

Controller: J. O. Skerry
Deputy Controllers: N. W. Bourgoïn, G. D. Cain
Assistant Controllers:
D. Couture, J. R. Dupuis, J. D. Scanlan
Senior Accounting Officers:
G. R. d'Artois, J. Julien
Director, Planning: H. P. Carmichael
Assistant Director, Planning:
G. Valdmanis
Economist: S. Moreau
Economic Consultant: D. R. Allen

Financial Services Department

Assistant Directors, Credit Administration:
R. F. Harriman, D. J. P. Lucas
Director, Investments: G. H. Bourque
Assistant Director, Investments: H. Hryniewski
Manager, Investments: M. C. Lane
Director, Loans and Projects: W. Forman
Assistant Project Directors:
H. W. Barsoum, A. Kassim-Lakha, R. D. Thompson

Inspection Department

Chief Inspector, Eastern Canada: J. P. Roberts
Chief Inspector, Western Canada:
C. V. Spielman (Calgary)
Inspectors:
M. Dépôt, M. D. Légaré, D. C. Sedgwick (Calgary),
N. L. Smith (Calgary), P. West

Insurance Department

Director: K. J. H. Pasqual
Assistant Directors: A. Ifergan, H. Montbriand

Internal Audit Department

Director: J. B. Lane
Assistant Director: R. H. Watts

Legal Department

General Solicitor: D. R. Urquhart
Assistant General Solicitors:
A. Bahary, C. G. M. Winslow

Management Services Department

Directors:
R. Bilodeau, J. C. Helman, E. G. Jopling
Assistant Directors:
T. J. Dettman, J. Longman, C. P. Scodras
Coordinator, Audio/Visual: R. P. Allard
Coordinator, Program Development: R. D. Dainow

Personnel Department

Director: C. L'Espérance
Assistant Directors:
J. Y. Bernier, L. P. Elliott, D. L. Lockerby
Personnel Officer: G. D. Schneider
Assistant Personnel Officer: J. Sutton

Premises and Supply Department

Director: A. Mackie
Assistant Directors: R. W. Gosselin, D. J. Vély
Special Assistant: P. M. Bourassa

President's Office

Assistant to the President: C. Lampron

Public Affairs Department and Secretariat

Assistant Secretary: D. Leduc-Campbell
Executive Assistant, Secretariat: M. Naggar
Coordinator, Public Affairs: D. Chatain
Information Officer: J. W. Sivers
Manager, Translation: S. Bernier

Staff Development Department

Director: J. R. Leduc
Assistant Director: R. W. Jesshope
Manager, Training: G. Thénier

Systems Department

Director: P. Malépart
Assistant Directors: R. T. Mactavish, M. Rochon
Operations Manager: A. Nasra
Project Managers: B. Cooke, J. G. Crête
Technical Support Manager: R. M. Wheeler
Methods and Procedures Manager: N. Ragbir
Manager, Records: H. Shantz
Word Processing Manager: N. Cahill



Président	G. A. Lavigne	Montréal
Vice-président exécutif	E. C. Scott	Montréal
Vice-président, affaires publiques, et secrétaire	M. F. Clooney	Montréal
Vice-président, finances	J. E. Nordin	Montréal
Vice-président, inspection	G. Bourbonnière	Montréal
Vice-président, personnel	I. D. MacLaren	Montréal
Vice-président, Services de gestion-conseil	E. A. Duddle	Montréal
Vice-président, Services financiers	E. A. Bell	Montréal
Vice-président et directeur général, région de l'Atlantique	K. E. Neilson	Montréal
Vice-président et directeur général, région du Québec	D. A. Kerley	Halifax
Vice-président et directeur général, région de l'Ontario	J. Y. Millette	Montréal
Vice-président et directeur général, région des Prairies et du Grand Nord	K. A. Powers	Toronto
Vice-président et directeur général, région de la Colombie-Britannique	R. H. Wheeler	Winnipeg
	H. W. Baker	Vancouver

Bureau du président

Adjoint au président: C. Lampron

Organisation et informatique

Directeur: P. Malepart
 Directeurs adjoints: R. T. Mactavish, M. Rochon
 Chef, opérations: A. Nasra
 Directeurs de projets: B. Cooke, J. G. Crête
 Directeur, soutien technique: R. M. Wheeler
 Directeur, méthodes: N. Ragb
 Directeur, gestion des documents: H. Shantz
 Directeur, traitement des textes: N. Cahill

Service de la trésorerie

Contrôleur: J. O. Skerry
 Sous-contrôleurs: N. W. Bourgojn, G. D. Can
 Contrôleurs adjoints
 Agents principaux, comptabilité:
 G. R. Artios, J. Julien
 Directeur, planification: H. P. Carmichael
 Directeur adjoint, planification: G. Valdimanis
 Fonctionnaire: S. Morneau
 Conseiller en économie: D. Aitlen

Service de la vérification interne

Directeur: J. B. Lane
 Directeur adjoint: R. H. Watts

Service de l'inspection

Inspecteur en chef, est du Canada: J. P. Roberts
 Inspecteur en chef, ouest du Canada:
 C. V. Spielman (Calgary)
 Inspecteurs:
 M. Dépôt, M. D. Légaré, D. C. Sedgwick (Calgary)
 N. L. Smith (Calgary), P. West
 Service de perfectionnement du personnel
 Directeur: J. R. Leduc
 Directeur adjoint: R. W. Jesshope
 Directeur, formation: G. Tréhen

Service des affaires publiques et secrétariat

Secrétaire adjoint: D. Leduc-Campbell
 Adjoint exécutif, secrétaire: M. Naggar
 Coordonnateur, affaires publiques: D. Chatain
 Agent d'information: J. W. Sivers
 Directeur, Service de la traduction: S. Bernier
 Service des assurances
 Directeur: K. J. H. Pasqual
 Directeurs adjoints: A. Ilergan, H. Montbrand

Service du personnel

Directeur: C. L'Espérance
 Directeurs adjoints:
 J. Y. Bernier, L. P. Elliott, D. L. Lockerby
 Agent du personnel: G. D. Schneider
 Agent adjoint du personnel: J. Sutton

Service juridique

Avocat en chef: D. R. Urquhart
 Avocats en chef adjoints:
 A. Bahary, C. G. M. Winslow
 Service locaux et équipement
 Directeur: A. Mackie
 Directeurs adjoints: R. W. Gosselin, D. J. Vély
 Adjoint spécial: P. M. Bourassa

Services de gestion-conseil

Directeurs:
 R. Bilodeau, J. C. Helman, E. G. Jopling
 Directeurs adjoints:
 T. J. Deltman, J. Longman, C. P. Scodras
 Coordonnateur, audio-visuel: R. P. Allard
 Coordonnateur, conception des programmes:
 R. D. Dainow

Services financiers

Directeurs adjoints, administration du crédit:
 R. F. Harriman, D. J. P. Lucas
 Directeur, Service des placements: G. H. Bourque
 Directeur adjoint, Service des placements:
 H. Hryniewski
 Directeurs, placements: M. C. Lane
 Directeurs adjoints, projets:
 H. W. Barsoum, A. Kassim-Lakha, R. D. Thompson

Bureau régional de la Colombie-Britannique

900, rue Hastings ouest
Vancouver, C.-B. V6G 1E7

Vice-président et directeur général: H.W. Baker
Directeur général délégué: D.M. Carter
Directeurs généraux adjoints:
District de l'intérieur: T.F. Ching
District des îles: M.J. Walsh
District de la Vallée: R.B. Thomas

District de Vancouver: R.P. Doherty
Services financiers: C.B. Ready
Services de gestion-conseil: G.B.G. Ross
Directeur, personnel: T.W. Graham
Agents du personnel: M.H. Morris, F.R. Wickham
Directeur de projets: R.E.M. Karjala
Directeur adjoint de projets: J.H. Auld

Consultant régional: J.T. Melvin
Conseiller juridique régional: T.A. James
Conseiller juridique régional adjoint: W.J. Birney
Agent de formation régional: J.A. McKee
Directeur, administration: R.E. McMurray
Directeur adjoint, administration: R. Morford
Directeur, information et formation, Services de gestion-conseil:
J.F. Noonan
J.G.T. Wong
Directeur, gestion spéciale des comptes: L.H. Lieberman

Succursales

Abbotsford
Succursale annexe de Chilliwack
Directeur: G.C. Hamilton
Directeur adjoint: E.J. Murray
Directeur: D.W. Forsyth
Directeur adjoint: K.P. Casse

Chilliwack
Directeur: M. Gumpnich
Directeur adjoint: R.B. Andersen
Succursale annexe de Campbell River
Courtenay
Directeur: R.M. Leile
Directeur adjoint: W.H.W. Westbrooks
Duncan
Succursale annexe de Nanaimo
Succursale annexe de New Westminster
Haney
Kamloops
Directeur: D.H. Van Dusen

Kelowna
Directeur: M.G. H.O. Reay
Directeur adjoint: T.R. King
Langley
Directeur: M. Kartashev
Directeur adjoint: G. Martin
Nanaimo
Directeur: H.C. Tomasson
Directeurs adjoints: M. Dukes, A.O. Seib
New Westminster
Directeur: J. Penman
Directeurs adjoints: R.T. Fleming, J.K. Clapperton
E.L. Phillips
Succursale annexe de Kelowna
Directeur: D. F. Watkins
Directeurs adjoints: B.H. Forrest, R.J. Goulet

Quesnel
Succursale annexe de Williams Lake
Richmond
Directeur: J.A. Taggart
Directeur adjoint: H.E. Berze
Terrace
Directeur: B.D. Parsons
Directeur adjoint: J.L. Jorgensen
Vancouver
Directeur: G. K. Kwood
Directeurs adjoints: N.W. Be, R.A. Groux
G. MacCurtich
Vancouver Est
Directeur: E.J. Poiré
Directeur adjoint: J.S. Russo

Vancouver Nord
Directeur: F.A. Reiter
Directeur adjoint: B. Kahn
Vernon
Directeur: R.S. Keyes
Directeur adjoint: H.G. Faerber
Victoria
Directeur: R.W. Gray
Directeurs adjoints: D.B. Cotter, J. Foster, B.B. Nispet
Williams Lake
Directeur: J.E. Burnett
Directeur adjoint: D.P. Mursch

Bureaux de CASI

Carbrook
Coordonnateur: P.J. Dillie
Kamloops
Coordonnateur: W.P. Anhorn
Kelowna
Coordonnateur: H.O. Schoening
Nanaimo
Coordonnateur: K.L. Burluck
New Westminster
Coordonnateur: G.S. Dery
North Vancouver
Coordonnateur: J.D. Gough
Prince George
Coordonnateur: P.J. Schneider
Vancouver
Coordonnateur: A.G. Culver
Victoria
Coordonnateur: J.A. Baines
Coordonnateurs adjoints: J.C. Bain, G. Fawcett



Prêts autorisés exercices terminés le 31 mars

1979

1978

	Nombre	%	Montant (\$000)	%	Nombre	%	Montant (\$000)
Fabrication	457	15	29,598	18	495	19	28,423
Commerce de gros et de détail	872	29	31,837	20	747	29	28,116
Industrie touristique	599	20	44,139	27	496	19	28,496
Agriculture	148	5	8,917	5	135	5	5,495
Construction	145	5	7,789	5	159	6	5,506
Fournisseurs de locaux	170	6	14,002	9	161	6	11,135
Transport et entreposage	134	4	6,184	4	123	5	6,456
Divers	473	16	19,425	12	248	11	6,230
Total	2,998	100	\$161,891	100	2,564	100	\$119,857

Services de gestion-conseil exercices terminés le 31 mars

Services de consultation CASE	— demandes	4,438	2,985
	— dossiers traités	3,671	2,092
	Séminaires de formation en gestion	300	255
	Service d'information à la petite entreprise	6,358	3,340
	— demandes dirigées vers les programmes d'aide		
1978	1979		



Prêts autorisés exercices terminés le 31 mars

1979

1978

	Nombre	%	Montant (\$000)	%	Nombre	%	Montant (\$000)
Fabrication	186	12	13,476	12	174	13	15,419
Commerce de gros et de détail	562	36	26,981	24	500	36	21,218
Industrie touristique	294	19	34,641	31	239	17	19,270
Agriculture	87	6	7,264	7	81	6	3,869
Construction	109	7	8,228	7	90	6	4,303
Fournisseurs de locaux	61	4	7,763	7	69	5	5,922
Transport et entreposage	58	4	4,784	4	65	5	5,661
Divers	183	12	8,554	8	169	12	6,475
Total	1,540	100	\$111,691	100	1,387	100	\$82,137

Services de gestion-conseil exercices terminés le 31 mars

Services de consultation CASE	— demandes	2,547	1,968
	— dossiers traités	1,429	944
	Séminaires de formation en gestion	254	246
	Service d'information à la petite entreprise		
	— demandes dirigées vers les programmes d'aide	3,328	3,878
		1979	1978

Bureau régional de l'Ontario

250, avenue University
Toronto, Ont. M5H 3E5

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District du nord de l'Ontario: F.T. Walters
District du sud-ouest de l'Ontario: J.G. Wilson
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Services de gestion-conseil: D.S. Brown

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Directeur, placements: R.M. Jack
Directeur adjoint, placements: J.G. Ryter

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Directeur: E.W.K.
Directeur: C.A. Graham
Directeur adjoint: A.N. Forbes
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Directeur adjoint: D. Ryter
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Directeur: R.J. Kenny
Directeur adjoint: J. McKernan
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Directeur adjoint: R.B. Rogers
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Hamilton

Kitchener-Waterloo

London

Oshawa

Ottawa

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Toronto

Toronto-Nord

Windsor

Prêts autorisés exercices terminés le 31 mars

1979						1978							
Nombre			%	Montant (\$000)			Nombre			%	Montant (\$000)		
Fabrication	889	24	57,842	32	570	22	26,407	22	570	22	26,407		
Commerce de gros et de détail	1,256	34	45,060	25	886	33	33,942	29	886	33	33,942		
Industrie touristique	708	19	38,551	21	527	20	29,107	24	527	20	29,107		
Agriculture	129	4	7,903	4	101	4	5,500	5	101	4	5,500		
Construction	176	5	8,632	5	140	5	5,590	5	140	5	5,590		
Fournisseurs de locaux	79	2	4,834	2	71	3	4,154	4	71	3	4,154		
Transport et entreposage	89	3	6,483	3	71	3	3,550	3	71	3	3,550		
Divers	344	9	13,943	8	266	10	9,938	8	266	10	9,938		
Total	3,670	100	\$183,248	100	2,632	100	\$118,188	100	2,632	100	\$118,188		

Services de gestion-conseil exercices terminés le 31 mars

1978	1979	Services de consultation CASE
2 076	3 846	— demandes
896	2 234	— dossiers traités
241	340	Séminaires de formation en gestion
5 921	11 389	Service d'information à la petite entreprise
		— demandes dirigées vers les programmes d'aide

Bureau régional du Québec

Suite 4600, Place Victoria
800, square Victoria
Montréal, Qué. H4Z 1C8

Vice-président et directeur général: J.Y. Millette
Directeur général délégué: J.P. Lagacé

Directeurs généraux adjoints:

District de l'est du Québec: J.A. Dugas
District de Montréal métropolitain: G.W. Madore
District de l'ouest du Québec: R. Trudeau
Services financiers: R.J. Lalonde

Services de gestion-conseil: J.C. Martin

Directeur, personnel: R. Leanev

Directeur de projets: J.D. Casavant
Directeurs adjoints de projets: S. Bayer, R. Bernaques

Consultant régional: J.P. Dubéau

Conseiller juridique régional: R. Gauthier

Conseillers juridiques régionaux adjoints: A. Koch, J.Y. Montette
Agent de formation régional: J.R.P. Marceau

Directeur, administration: P.H. Johnson

Directeur, information et formation, Services de gestion-conseil:

G. Léonard

Directeur, placements: L.D. Laporte

Directeur adjoint, placements: T. Van de Kiekersteeg

Directeur, gestion spéciale des comptes: A. Locas

Directeur adjoint, gestion spéciale des comptes: A. Leblanc-Daviaut

Succursales

Chicoutimi:

Drummondville

Grady

Hull

LaSalle

Lévis

Laval

Longueuil

Montreal (Place Victoria)

Montreal (Place Victoria)

Directeurs adjoints: M. Paquette, R.R. Porter

Directeur: M. Boudreau

Directeurs adjoints: G. Chomié, M. Boudreau

Directeur: J.G. Gauthier

Directeur: J.G. Gauthier

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Directeur: J.G. Gauthier

Directeur: J.G. Gauthier

Bureaux de CASP

Chicoutimi:

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Trois-Rivières

Trois-Rivières

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Trois-Rivières

	Nombre	%	Montant (\$000)	%	Nombre	%	Montant (\$000)	%
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Fabrication	528	29	47,397	36	474	28	37,140	36
Commerce de gros et de détail	572	31	32,540	25	542	32	27,749	27
Industrie touristique	336	18	24,648	19	321	19	18,105	17
Agriculture	25	1	3,847	3	23	1	2,684	3
Construction	81	5	4,050	3	80	5	4,107	4
Fournisseurs de locaux	75	4	7,976	6	43	3	2,671	3
Transport et entreposage	52	3	3,308	2	46	3	3,247	3
Divers	154	9	7,410	6	149	9	6,957	7
Total	1,823	100	\$131,176	100	1,678	100	\$102,660	100

Services de gestion-conseil exercices terminés le 31 mars

Services de consultation CASE	— demandes	1 760	1 192
	— dossiers traités	977	666
Séminaires de formation en gestion		265	161
Service d'information à la petite entreprise		20 407	14 243
— demandes dirigées vers les programmes d'aide			

Prêts autorisés exercices terminés le 31 mars

1979

1978

	Nombre	%	Montant (\$000)	%	Nombre	%	Montant (\$000)
Fabrication	262	12	10,265	13	170	10	6,931
Commerce de gros et de détail	970	43	27,435	34	763	46	22,451
Industrie touristique	487	22	18,541	23	318	19	14,306
Agriculture	19	1	707	1	14	1	454
Construction	139	6	7,678	10	109	7	3,177
Fournisseurs de locaux	72	3	6,454	8	44	3	2,770
Transport et entreposage	66	3	1,650	2	53	3	1,321
Divers	225	10	7,857	9	176	11	5,072
Total	2,240	100	\$80,587	100	1,647	100	\$56,482

Services de gestion-conseil exercices terminés le 31 mars

Services de consultation CASE	— demandes	2,352	1,586
	— dossiers traités	1,374	874
	Séminaires de formation en gestion	206	146
	Service d'information à la petite entreprise	11,148	3,015
	— demandes dirigées vers les programmes d'aide		
1978		1979	

Bureau régional de l'Atlantique

Succursales

Bureaux de CASE

Suite 1400, Cogswell Tower
Scotia Square
Halifax, N.-É. B3J 3K1

Vice-président et directeur général: D.A. Kerley
Directeurs généraux adjoints:

District de l'est de l'Atlantique: M.A. Renfrew
District de l'ouest de l'Atlantique: A. Highet
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Conseiller juridique régional: G.P. Baughman
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Directeur, gestion spéciale des comptes: D.M. Baker

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St-Jean

Nouvelle-Écosse
Bridgewater

Sydney
Truro

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Edmundston
Fredericton

Saint-Jean
Moncton

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Charlottetown

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Directeur: F.D. Parsons
Directeurs adjoints: B.A. Conrad, K.W.F. Crichton

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Halifax, N.-É.
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Sydney, N.-É.
Coordonnateur: D.J. McDonald

Fredericton, N.-B.
Coordonnateur: F.S. Gormley

Moncton, N.-B.
Coordonnateur: W.J. Bingley

Charlottetown, I.-P.-É.
Coordonnateur: G.H. Myrden



Répartition des comptes par province

au 31 mars 1979			
Montant en cours	(\$000)	Nombre de clients	Total
48,210	48,210	1,371	Terre-Neuve
9,675	9,675	319	Île du Prince-Édouard
46,434	46,434	1,635	Nouvelle-Écosse
56,088	56,088	1,458	Nouveau-Brunswick
363,156	363,156	6,412	Québec
410,495	410,495	9,742	Ontario
42,982	42,982	892	Manitoba
47,022	47,022	924	Saskatchewan
154,224	154,224	3,305	Alberta
458,410	458,410	9,059	Colombie-Britannique
11,983	11,983	124	Yukon
8,808	8,808	135	Territoires du Nord-Ouest
\$1,657,487	\$1,657,487	35,376	Total

Sommaire statistique des comptes

pour l'exercice terminé le 31 mars			
(millions de dollars)			
1976	1977	1978*	1979
Montant avancé sur les prêts et placements	372.9	369.4	391.6
Montant remboursé sur les prêts et placements y compris radiations et dévaluations	188.8	231.8	312.9
Augmentation du montant net en cours	184.1	137.6	78.7
Montant en cours à la fin de l'exercice	1,277.0	1,414.6	1,493.3
Montant non déboursé à la fin de l'exercice	120.6	110.7	138.0
Montant en cours et montant non déboursé à la fin de l'exercice	1,397.6	1,525.3	1,631.3
Nombre de clients aux livres à la fin de l'exercice	29,274	31,925	33,224
Montant en cours et montant non déboursé — moyenne par client (milliers de dollars)	48	48	49
Reclassifié — voir la note 9 aux états financiers	53		

Répartition des prix consentus par genre d'entreprise

durant les exercices terminés le 31 mars

	1976	1977	1978	1979	1976	1977	1978	1979
Fabrication	163	184	197	275	13,810	13,080	12,582	18,734
Aliments et boissons								
Produits de caoutchouc	9	1	8	11	619	50	2,217	984
Produits de cuir	16	18	18	35	1,043	693	651	2,155
Industries textiles (sauf le vêtement)	36	33	44	44	2,374	1,332	2,078	2,540
Vêtement (textiles et fourrures)	64	57	49	86	2,802	2,770	2,110	3,825
Produits du bois	309	334	356	424	14,754	17,735	22,897	31,516
Industries de la pâte et du papier	26	26	22	47	5,282	1,354	1,615	5,721
Imprimeries et entreprises connexes	201	151	176	218	6,495	4,619	6,429	7,777
Produits du fer et de l'acier	460	399	412	520	21,004	20,551	28,429	38,777
Outils de transport	85	82	79	105	6,139	5,744	4,763	7,447
Produits de métaux non ferreux	10	11	10	15	488	273	1,113	903
Appareils électriques et accessoires	44	53	62	79	2,422	2,137	5,555	4,787
Produits de métaux non métalliques	100	92	118	153	5,481	4,442	7,701	13,891
Produits chimiques	43	37	43	44	1,926	2,118	2,819	4,757
Industries manufacturières diverses	180	167	166	266	8,283	10,343	6,906	14,863
Transport aérien commercial	57	47	67	51	3,804	2,561	6,064	4,843
Entreposage (y compris réfrigération)	11	21	18	20	557	3,183	1,242	2,481
Autres entreprises de transport et d'entreposage	265	229	273	328	10,915	9,242	12,930	15,086
Services publics (électricité, gaz, eau)	40	13	17	37	1,475	558	649	2,260
Mines et carrières (y compris traitement de minéraux), puits de pétrole	50	36	48	55	2,938	3,087	2,239	4,471
Construction	570	440	578	650	22,327	18,334	22,683	36,376
Bâtiments industriels	507	456	388	457	34,505	32,536	26,652	41,027
Services personnels	108	89	101	140	2,899	2,324	2,600	4,444
Industrie forestière	77	75	102	127	2,630	2,515	3,152	6,293
Commerce de gros	513	518	512	672	25,450	24,519	26,765	35,526
Commerce de détail	2,878	2,790	2,926	3,560	97,991	94,717	110,671	128,327
Enseignement et services de santé	78	57	80	75	6,026	2,768	3,573	3,961
Services de divertissement	132	108	132	220	7,582	7,249	7,820	20,418
Services aux directeurs d'entreprises	205	174	222	278	8,230	6,524	8,146	9,943
Services divers	598	474	354	408	26,211	23,742	18,001	28,777
Agriculture	71	42	40	48	2,169	1,642	1,673	1,796
Pêche et chasse au piège	22	13	24	20	1,583	643	1,748	1,855
Télécommunications	174	148	156	187	5,021	5,056	5,977	7,046
Buandiers et nettoyeurs	1,145	1,148	1,315	1,655	49,205	52,241	58,824	81,337
Restaurants et autres établissements semblables	520	446	454	549	40,001	31,930	42,640	58,549
Hôtels, motels et auberges	62	65	69	91	2,438	3,465	3,420	3,796
Théâtres, cinémas, salles de quilles et salles de billard	10,088	9,311	9,908	12,271	454,653	424,076	479,324	668,593

Nombre

Montant (\$000)



Répartition par catégorie d'emprunteurs:		1976		1977		1978		1979		Montant (\$'000)	
Nouveaux emprunteurs		7,187	6,624	6,977	8,400	329,550	311,792	348,240	476,738	191,855	668,593
Emprunteurs bénéficiant déjà d'un crédit		2,901	2,687	2,931	3,871	125,103	112,284	131,084	191,855	191,855	668,593
Total		10,088	9,311	9,908	12,271	454,653	424,076	479,324	668,593	668,593	668,593

Répartition d'après le montant:		1976		1977		1978		1979		Montant (\$'000)																	
\$25,000 et moins		4,812	4,327	4,605	5,562	70,171	61,982	64,244	77,168	77,168	668,593																
Plus de 25,000 à 50,000		2,982	3,085	3,498	3,498	113,710	106,372	122,088	136,129	136,129	668,593																
Plus de 50,000 à 100,000		1,582	1,475	1,862	1,880	119,073	109,888	102,673	138,372	138,372	668,593																
Plus de 100,000 à 500,000		684	662	812	1,240	124,218	119,218	147,986	235,613	235,613	668,593																
Total des prêts de \$500,000 et moins		10,060	9,276	9,864	12,180	427,680	397,460	436,991	587,282	587,282	668,593																
Plus de \$500,000		28	35	44	91	427,680	397,460	436,991	587,282	587,282	668,593																
Total		10,088	9,311	9,908	12,271	454,653	424,076	479,324	668,593	668,593	668,593																
Prêt moyen						45	46	48	54	54	54																
Répartition par province:		Terre-Neuve		Île-du-Prince-Édouard		Nouvelle-Écosse		Nouveau-Brunswick		Québec		Ontario		Manitoba		Saskatchewan		Alberta		Colombie-Britannique		Yukon		Territoires du Nord-Ouest		Total	
1976	1977	346	304	66	85	428	582	345	487	1,725	1,678	2,505	2,632	204	222	226	271	963	879	2,564	2,998	20	34	36	36	9,908	12,271
1976	1977	346	304	66	85	428	582	345	487	1,725	1,678	2,505	2,632	204	222	226	271	963	879	2,564	2,998	20	34	36	36	9,908	12,271
1976	1977	346	304	66	85	428	582	345	487	1,725	1,678	2,505	2,632	204	222	226	271	963	879	2,564	2,998	20	34	36	36	9,908	12,271
1976	1977	346	304	66	85	428	582	345	487	1,725	1,678	2,505	2,632	204	222	226	271	963	879	2,564	2,998	20	34	36	36	9,908	12,271
1976	1977	346	304	66	85	428	582	345	487	1,725	1,678	2,505	2,632	204	222	226	271	963	879	2,564	2,998	20	34	36	36	9,908	12,271
1976	1977	346	304	66	85	428	582	345	487	1,725	1,678	2,505	2,632	204	222	226	271	963	879	2,564	2,998	20	34	36	36	9,908	12,271
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1976	1977	346	304	66	85	428	582																				

1. Conventions comptables importantes:

Les prêts considérés comme éléments de l'actif au moment du déboursement. Tout prêt est considéré comme élément de l'actif jusqu'à ce qu'il soit remboursé, ou encore que ses garanties soient réalisées. Tout placement est considéré comme élément de l'actif jusqu'à ce que les titres soient vendus ou qu'il soit radié. Les plus-values non réalisées sur les placements ne sont pas comptabilisées. Le paragraphe suivant indique la méthode suivie pour parer aux pertes sur les prêts et placements.

Provision pour pertes sur les prêts et dévaluations des placements

Une imputation sur les bénéfices est effectuée aux fins de rajuster la provision accumulée pour pertes éventuelles au montant requis pour pourvoir aux pertes probables sur prêts déjà spécifiquement identifiées de même qu'aux pertes éventuelles encore inconnues et pour refléter les dévaluations sur placements. La partie de la provision accumulée relative aux pertes des dévaluations encore inconnues est calculée d'après l'expérience passée et elle est destinée à parer aux pertes éventuelles sur les prêts et placements qui n'ont pas été spécifiquement identifiées. Une dévaluation sur placement est comptabilisée lorsqu'un changement important à caractère négatif survient, ou paraît susceptible de survenir, dans le programme de développement des affaires de l'entreprise qui fait l'objet du placement.

Comptabilisation du revenu

Le revenu englobe les intérêts courus sur les prêts. Toutefois, les intérêts ne courent pas sur les prêts lorsque la Direction de la Banque est d'avis que ceux-ci ne seront pas recouvrés. Les dividendes et gains en capital sur les placements sont pris en compte à titre de revenu au moment de l'encaissement.

Immobilisations et amortissement

Les immobilisations sont comptabilisées au coût d'origine. L'amortissement des améliorations locales est pratiqué d'après la méthode de l'amortissement linéaire sur la durée de chaque bail en cause. Les autres immobilisations sont amorties d'après la méthode de l'amortissement dégressif à des taux établis en fonction de la vie utile estimative des biens en question.

2. Engagements sur prêts et placements:

Les montants non déboursés sur les prêts et placements autorisés s'élevaient à environ \$223,000,000 au 31 mars 1979 (1978 — \$138,000,000).

3. Les placements, au coût moins dévaluations, s'établissent comme suit au 31 mars 1979:

Actions	\$ 5,356,835	1979
Avances d'actionnaire	\$ 4,711,609	1978
Débentures avec privilège de participation	9,517,319	
Débentures convertibles	3,852,014	
	2,774,940	
	2,851,869	
	23,060,909	
Moins: dévaluations	12,147,563	
	4,500,000	
	\$11,647,563	

4. Les débentures émises en faveur de la Banque du Canada, et détenues par elle, s'établissent

comme suit au 31 mars 1979:

Taux %	1980	1981	1982	Total
	\$ 78,400	\$ 51,400	\$ 44,200	\$174,000
7-7 7/8	70,400	40,000	39,800	150,200
9-9 7/8	22,300	79,600	47,600	149,500
	\$171,100	\$171,000	\$131,600	\$473,700

5. Les billets détenus par le Canada s'établissent comme suit au 31 mars 1979:

Échéances par exercice (en milliers de dollars)

Taux %	1980	1981	1982	1983	1984	1985-87	Total
	\$ 35,000	\$ 34,000	\$ 21,000	\$ —	\$ —	\$ —	\$ 90,000
7-7 7/8	32,000	34,000	47,000	53,000	54,000	70,000	290,000
8-8 7/8	61,000	\$61,000	60,000	75,000	75,000	164,000	496,000
9-9 7/8	\$128,000	\$129,000	\$128,000	\$128,000	\$129,000	\$234,000	\$876,000

6. Dettes éventuelles:

La Banque a accordé sa caution sur des prêts totalisant \$12,087,000.

7. Caisse de retraite:

Les employés de la Banque bénéficient d'une Caisse de retraite à contributions mixtes et dont la gestion des avoirs est confiée à des fiduciaires. Les frais, déduction faite des contributions des employés, sont imputés sur les bénéfices au fur et à mesure de leur paiement. Les engagements du régime de retraite sont présentement entièrement consolidés.

8. Limitations touchant l'exploitation:

En conformité avec sa loi constitutive, le capital (à l'inclusion des bénéfices non répartis) de la Banque ne peut excéder au total deux cent millions de dollars et la somme du passif réel et du passif éventuel ne peut jamais dépasser le capital de la Banque multiplié par dix.

9. Renseignements financiers comparatifs:

Certains montants se rapportant à l'exercice financier terminé le 31 mars 1978 ont été reclassés pour les rendre conformes à la présentation adoptée pour l'exercice financier terminé le 31 mars 1979.



Actif

1978	1979	\$
Bons du Trésor du Gouvernement du Canada	3 095,412	31,136,163
Prêts (note 2)	1,638,926,621	1,481,677,283
Placements, au coût	5,213,252	33,089,544
moins dévaluations (notes 2 et 3)	18,560,909	11,647,563
Intérêts échus et courus	1,657,487,530	1,493,324,846
	18,815,247	17,752,852
	1,676,302,777	1,511,077,698
Moins provisions accumulées pour pertes éventuelles	58,000,000	56,500,000
Immobilisations au coût, moins amortissement accumulé	4,217,505	4,047,655
Autres éléments d'actif	3,937,074	1,861,149
\$1,631,670,608	\$1,493,576,046	

APPROUVE PAR LE CONSEIL D'ADMINISTRATION:

Gilles C. Lefebvre, administrateur
Guy A. Lavigne, administrateur

Passif

1978	1979	\$
Chèques en circulation	27,921,124	30,000,000
Billets à court terme	20,432,094	15,378,031
Intérêts courus sur débentures	16,598,897	23,551,380
Autres éléments du passif	3,530,103	3,338,169
Débentures en cours (note 4)	100,380,638	57,988,130
Primes et escomptes sur débentures, moins amortissement	473,700,000	645,200,000
	392,463	731,790
	474,092,463	645,931,790
Billets détenus par le Canada (note 5)	876,000,000	623,000,000
Capital:		
Capital versé par le Canada en vertu de la Loi sur la Banque fédérale de développement	136,000,000	122,000,000
Bénéfices non répartis, selon l'état ci-joint	45,197,507	44,656,126
	181,197,507	166,656,126
\$1,631,670,608	\$1,493,576,046	

Rapport du vérificateur

L'honorable Ministre de l'Industrie et du Commerce
Ottawa, Ontario
Monsieur le Ministre:

J'ai vérifié l'état de l'actif et du passif de la Banque fédérale de développement au 31 mars 1979, ainsi que l'état d'exploitation, l'état des bénéfices non répartis, l'état de l'évolution de l'encaisse et l'état de la provision accumulée pour pertes éventuelles sur les prêts et placements de l'exercice terminé à cette date. Mon examen a été effectué conformément aux normes de vérification généralement reconnues, et a comporté par conséquent les sondages et autres procédures que j'ai jugés nécessaires dans les circonstances. À mon avis, ces états financiers donnent un aperçu juste et fidèle de l'état des affaires de la Banque au 31 mars 1979 ainsi que de ses résultats d'exploitation, de l'évolution de son encaisse et des changements de la provision accumulée pour pertes éventuelles sur ses prêts et placements terminés à cette date selon les principes comptables généralement reconnus, appliqués de la même manière qu'au cours de l'exercice précédent. Je déclare de plus, qu'à mon avis, la Banque a tenu des livres de comptabilité appropriés, que les états financiers y correspondent et que les opérations dont j'ai eu connaissance ont été effectuées dans le cadre de ses pouvoirs statutaires. Veuillez agréer, Monsieur le Ministre, l'expression de ma plus haute considération.

Raymond J. Morcel, c. a.
de Price Waterhouse & Cie
Montréal, Québec
le 25 mai 1979

Etat des bénéfices non répartis

1979	1978	
\$ 44,656,126	\$43,534,675	
541,381	1,121,451	
\$ 45,197,507	\$ 44,656,126	

Solde à la clôture de l'exercice

Bénéfice net de l'exercice

Etat de l'évolution de l'encaisse

1979	1978	
\$338,000,000	\$278,000,000	
83,000,000	14,000,000	
329,500,657	312,419,980	
764,500,657	604,419,980	
541,381	1,121,451	
\$338,000,000	\$278,000,000	
14,000,000	83,000,000	
329,500,657	312,419,980	
764,500,657	604,419,980	
541,381	1,121,451	
\$338,000,000	\$278,000,000	
14,000,000	83,000,000	
1,177,644	(1,722,724)	
836,025		
8 119,860		
772,620,517	614,900,537	
497,663,341	391,581,636	
171,500,000	171,600,000	
85,000,000	51,000,000	
53,000,000	—	
3,635,623	1,040,780	
810,798,964	615,202,400	
\$(38,178,447)	\$(266,050)	
\$ 4,666,250	\$(27,876,293)	
\$(38,178,447)	\$(266,050)	

Augmentation (diminution) de l'encaisse et des bons du Trésor du Gouvernement du Canada
Ajouter: diminution (augmentation) du montant des chèques en circulation

1979	1978	
\$ 56,500,000	\$ 47,000,000	
301,074	223,080	
(13,240,660)	(9,731,737)	
43,560,414	37,491,343	
18,439,586	19,508,657	
(4,000,000)	(500,000)	
\$ 58,000,000	\$ 56,500,000	

Provision additionnelle requise pour parer aux pertes éventuelles

Partie de la provision additionnelle ci-dessus présentée en diminution du coût des placements

Solde à la clôture de l'exercice

Recouvrement de sommes antérieurement radiées

Sommes radiées au cours de l'exercice

Etat de la provision accumulée pour pertes éventuelles sur les prêts et placements

1979	1978	
\$ 56,500,000	\$ 47,000,000	
301,074	223,080	
(13,240,660)	(9,731,737)	
43,560,414	37,491,343	
18,439,586	19,508,657	
(4,000,000)	(500,000)	
\$ 58,000,000	\$ 56,500,000	

Provision additionnelle requise pour parer aux pertes éventuelles

Partie de la provision additionnelle ci-dessus présentée en diminution du coût des placements

Solde à la clôture de l'exercice

Recouvrement de sommes antérieurement radiées

Sommes radiées au cours de l'exercice

Servies financiers

Revenus:		
Intérêts	\$177,144,410	
Divers	5,346,653	
	182,491,063	
Charges:		
Traitements et avantages sociaux	35,866,215	
Frais de déplacements et de mutations	4,029,245	
Locaux — loyers et autres frais	5,108,966	
Amortissement des immobilisations	1,242,454	
Publicité	1,264,014	
Téléphone, telex et télégrammes	1,682,522	
Fournitures et frais de bureau	1,496,973	
Autres frais d'exploitation	2,754,712	
Total des frais d'exploitation	53,445,101	
Moins: partie imputée aux Services de gestion-conseil	957,000	
Frais nets d'exploitation	52,488,101	
Intérêt sur la dette à terme (y compris l'amortissement de l'escompte et de la prime sur les déventures)	111,021,995	
Provision pour pertes sur les prêts et dévaluations des placements	18,439,586	
	181,949,682	
Bénéfice net viré aux bénéfices non répartis	\$ 541,381	\$ 1,121,451

Servies de gestion-conseil

1978		
Traitements et avantages sociaux	\$ 3,701,794	
Frais de déplacements et de mutations	1,069,926	
Locaux — loyers et autres frais	986,012	
Publicité	253,143	
Fournitures et frais de bureau	316,785	
Séminaires de formation	586,767	
Publications-formation et services d'information	1,586,784	
Honoraires de consultation de CASE	1,995,604	
Autres frais d'exploitation	748,070	
Partie imputée par les Services financiers	11,244,885	
Total des dépenses	12,201,885	
Moins: revenus de consultation-CASE, frais d'inscription aux séminaires de formation, etc.	1,072,885	
Sommes recouvrées du ministère de l'Industrie et du Commerce en vertu du crédit 50	\$ 11,129,000	
Ventilation des dépenses:		
Service de conseils en gestion	\$ 4,415,611	
Formation des cadres	2,597,600	
Service de renseignements	2,542,915	
Administration	1,358,292	
Dépenses en immobilisations	330,467	
Partie imputée par les Services financiers	11,244,885	
	957,000	
	\$ 12,201,885	\$ 8,029,716



Les placements ont presque doublé depuis l'an dernier, ce qui fait de la banque une des principales sources de capitaux de placement pour la petite entreprise. Pour se procurer les fonds servant à cette activité, la banque a fait des emprunts, ce qui a augmenté ses frais d'intérêts. Étant donné que ses activités de placement sont appelées à prendre de l'ampleur, la banque étudie en ce moment d'autres façons de se procurer les fonds nécessaires.

La provision pour pertes a été déterminée selon la même politique que pour les années passées. Les comptes en difficulté ou ceux qui semblent devoir connaître des problèmes ont été suivis de près. En général, la qualité des comptes de la banque s'est améliorée; cependant, la provision pour les dévaluations a dû être augmentée en raison des pertes prévues sur les comptes de placement.

Les radiations nettes se sont élevées à quelque \$12,9 millions, contre \$9,5 millions pour l'exercice précédent. La provision pour pertes sur les prêts proprement dite, qui était de \$33,5 millions l'an dernier, a été portée à \$37 millions. Toutefois, l'augmentation de la qualité du portefeuille total de la banque a permis une réduction de la provision pour imprévus, sur les prêts et placements, de \$23 millions à \$21 millions pour l'exercice 1979. La provision générale pour pertes éventuelles sur les prêts et placements a donc passé de \$56,5 millions à \$58 millions.

Organisation

Divers changements dans l'organisation et les méthodes ont été apportés au cours de l'année pour répondre à la croissance des activités de la banque. Le remaniement des responsabilités de la haute direction au siège social, dont il avait été question dans le dernier rapport, a été effectué comme prévu. De plus, il y a eu une réorganisation des cinq bureaux régionaux et de nouveaux bureaux de district ont été créés dans chaque région. Grâce à cette réorganisation, les responsabilités sont mieux délimitées à tous les niveaux et le service à la clientèle s'en trouve amélioré. À cet égard, la limite d'autorisation des bureaux régionaux et des succursales a été considérablement étendue au cours de l'année et, par conséquent, ces bureaux peuvent maintenant autoriser beaucoup plus de prêts. Des succursales ont été inaugurées à Edmundston, au Nouveau-Brunswick et à North Bay, en Ontario; des succursales annexes ont vu le jour à Medicine Hat, en Alberta, et à Duncan, Haney, Penticton et Quesnel, en Colombie-Britannique. La banque compte maintenant 89 succursales et 10 succursales annexes.

Le réseau de succursales de la banque met ses services à la portée de la majorité des gens d'affaires; les visites effectuées par ses représentants dans tous les coins du pays permettent à encore plus de personnes d'y avoir accès. Ces visites, qui sont annoncées à l'avance, permettent aux gens d'affaires

de rencontrer les représentants de la BFD sans avoir à se rendre à un bureau ou à une succursale. Au cours de l'année, les représentants de la BFD ont effectué 8,000 visites dans 800 localités, qui ont produit 20,500 demandes de renseignements. Au cours de l'année, une attention particulière a été accordée à la formation du personnel et au programme de perfectionnement. La banque a voulu donner à un plus grand nombre d'employés l'occasion de connaître les divers aspects de ses activités et d'avancer dans leur carrière à la BFD. La banque, en plus de mettre un programme de formation à la disposition de ses employés, aide également à la formation de représentants d'organismes étrangers oeuvrant dans le même domaine. La BFD est l'une des plus anciennes banques de développement au monde et elle met sa vaste expérience au service des autres banques de développement, surtout celles des pays en voie de développement, pour parler la formation de leur personnel.

Conseil d'administration

Le 15 septembre 1978, les membres du Conseil ont élu M. Ralph F. Fiske au poste de président du Conseil, pour remplacer M. Sol Kanev, O.C., qui avait démissionné plus tôt au cours de l'année. M. F. D. Rosebrough s'est retiré du Conseil à la fin de son mandat, en juin 1978.

Financement

Toutes ces réalisations au cours de l'exercice 1979 n'ont été possibles que grâce aux efforts soutenus d'un personnel efficace et compétent. Au nom du Conseil d'administration, je tiens à remercier bien sincèrement les 2,160 employés, hommes et femmes, ainsi que ceux qui ont collaboré au programme CASC, pour leur contribution aux activités de la banque pendant l'année. Je compte sur leur appui au moment où la banque entreprend une autre année au service des petites entreprises canadiennes.

Le président,

Guy A. Lavigne

Services de gestion-conseil

(a) Consultation

Le programme de consultation de la banque, CASC (Consultation Au Service des Entreprises), complète les services de consultation en gestion du secteur privé. La consultation est fournie dans tous les domaines de la gestion des entreprises, comme le marketing, l'exploitation et les questions financières. Les conseillers, qui sont des gens d'affaires à la retraite, sont au nombre d'environ 1,900 et la banque met leur expérience à la disposition des clients, à un coût minimal. Au cours de l'exercice financier 1979, la banque a reçu près de 15,000 demandes pour les services de CASC, et environ 9,700 consultations ont été menées à terme. Il n'est pas nécessaire d'être un client de la banque pour profiter des services de CASC et, en fait, la plupart des clients de CASC ne le sont pas.

Dans le but de promouvoir de saines méthodes de gestion auprès des propriétaires et des dirigeants de petites entreprises, la banque offre une formation en gestion sous forme de cours, séminaires et autres réunions. L'an dernier, plus de 21.000 gens d'affaires ont participé aux 1.300 séminaires d'une journée tenus, pour la plupart, dans des petites villes et localités du pays; on y a traité de sujets tels que le marketing, la fiscalité, la tenue des livres et le contrôle des coûts.

La banque a également conçu des cours de 30 heures destinés aux chefs de petites entreprises: ces cours sont offerts aux ministères provinciaux de l'éducation qui peuvent les présenter dans le cadre de leur programme d'éducation permanente, dans les collèges et autres institutions d'enseignement.

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Genre d'entreprise		1978		1979		1978		1979		Placements en actions*	
Montant	Nombre (en milliers)	Montant	Nombre (en milliers)	Montant	Nombre (en milliers)	Montant	Nombre (en milliers)	Montant	Nombre (en milliers)	Montant	Nombre (en milliers)
Fabrication	2 322	\$158,581	1,760	\$107,864	51	\$10,323	50	\$10,017	50	325	1
Commerce de gros et de détail	4 232	163,853	3,438	133 476	5	980	3	3	3	235	2
Industrie	2 424	160 519	1,901	109 284	3	2 226	1	—	1	130	2
Agriculture	408	28 638	354	18 001	3	—	1	—	1	25	2
Construction	650	36 376	578	22 683	3	1,044	1	—	1	235	2
Fournisseurs de locaux	457	41 027	388	26 653	2	2 503	2	—	2	1,004	12
Transport et entreposage	399	22 410	358	20 235	2	1 285	9	69	69	\$11,736	69
Divers	1,379	57 189	1,131	41 128	73	\$18,361	73	\$11,736	69	\$11,736	69
Total	12 271	\$668,593	9,908	\$479,324	73	\$18,361	73	\$11,736	69	\$11,736	69
Montant	12 271	\$668,593	9,908	\$479,324	73	\$18,361	73	\$11,736	69	\$11,736	69
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Nombre (en milliers)	2 240										

(c) Information

divers palliers de gouvernement offrent des programmes d'aide à l'entreprise. La banque fournit des renseignements sur ces programmes et les demandeurs sont dirigés vers les responsables du programme qui lui les interesse. Au cours de l'année, les bureaux et succursales de la banque ont traité plus de 52,500 demandes de renseignements.

Pour aider à faire connaître ces programmes d'aide, la banque a part des séances d'information aux petites et moyennes entreprises. Ces séances permettent aux gens d'affaires de se renseigner sur ces divers programmes. Plus de 400 séances d'information ont été tenues au cours de l'exercice 1979.

La banque publie également des brochures portant sur la gestion des petites entreprises; cette série de brochures, intitulée "Voire affaire, c'est notre affaire" est toujours bien accueillie. Il en va de même pour le bulletin trimestriel "Nouvelles de la petite entreprise". Actuellement, environ 66 000 personnes reçoivent ces publications qui traitent de sujets d'intérêt pour la petite entreprise.

De plus, la banque a mis sur pied, dans ses bureaux et succursales, des bibliothèques contenant des ouvrages utiles à la petite entreprise, qu'elle publie ou consulte.

Results and Numbers

À la fin du cours de l'exercice écoulé, les revenus nets se sont élevés à 161 millions, avec une déduction de 20 millions pour pertes éventuelles, contre 220 millions pour l'exercice précédent. Comme je l'ai mentionné plus haut, le nombre des autorisations est considérablement accru, et en conséquence, le montant des prêts et des placements en cours au 31 mars 1979 était supérieur de 164 millions à celui de l'an dernier. La même date

Placements en actions*

Rapport du président

Pour la BFD, 1979 a été une année financière exceptionnelle. Les Services financiers et les Services de gestion-conseil ont accru leurs activités. Le nombre et le montant des prêts et des participations au capital d'entreprises autorisés au cours de l'année ont été les plus élevés de toute l'histoire de la banque. Le nombre de consultations entreprises par CASE, de séminaires de formation en gestion et de demandes traitées par le service d'information a atteint des niveaux sans précédent.

Pour répondre à la demande sans cesse croissante pour ses services, la banque a restructuré l'organisation de la haute direction, a poursuivi la décentralisation de ses activités de prêt, a inauguré de nouveaux bureaux de district, succursales et succursales annexes, et ses représentants ont effectué un plus grand nombre de visites dans les petites localités pour rencontrer les gens d'affaires.

Ce fut une année fertile en activités pour la banque. Elle a poursuivi ses efforts pour bien remplir le mandat que lui a confié le Parlement, et qui consiste à fournir des services financiers et de gestion-conseil aux petites entreprises partout au Canada.

Services financiers

En vertu de la Loi sur la BFD, la banque peut accorder de l'aide financière aux entreprises qui ne peuvent trouver ailleurs, à des conditions raisonnables, les crédits ou le financement requis. Bien que le nombre d'établissements financiers privés et publics n'ait cessé d'augmenter, ce qui ne peut que profiter à la petite entreprise, le nombre d'entreprises que la banque peut servir en tant que prêteur complémentaire continue également de grandir. Au cours de l'exercice 1979, la banque a consenti 12,271 prêts pour un montant global de \$668,593,000, soit une hausse de 24% pour le nombre et de 39% pour le montant par rapport à l'année précédente. En fin d'année, la banque comptait 35,376 clients pour un engagement total de \$1,6 milliard.

La banque a non seulement accordé un plus grand nombre de prêts à terme au cours de l'année, mais elle a aussi aidé de petites entreprises en effectuant 73 participations au capital, d'entreprises totalisant \$18,361,000 comparativement à 69 pour un montant de \$11,736,000 au cours de l'exercice 1978. Environ 70% de ces placements ont été effectués dans des entreprises de fabrication, surtout dans le secteur de la technologie de pointe. La banque participe actuellement au capital de 112 entreprises pour un engagement total de \$27,374,000.

Au cours de l'exercice 1979, les clients ont consacré plus de la moitié du financement fourni par la BFD à l'acquisition d'immobilisations, et le reste a servi à d'autres fins, comme la consolidation du fonds de roulement ou un changement de propriétaire. On estime que le financement de la BFD a contribué au lancement de quelque 2,000 entreprises canadiennes au cours de l'année. Le financement autorisé au cours de l'année, aux entreprises déjà existantes aussi bien qu'aux nouvelles, devrait permettre la création de quelque 20,000 emplois. Actuellement, quelque 350,000 Canadiens travaillent dans des entreprises financées par la banque.

Au cours de l'année, le secteur de la petite entreprise a connu une activité accrue à l'échelle nationale et cela s'est traduit non seulement par l'augmentation des prêts de la BFD mais aussi par la hausse du chiffre d'affaires des autres prêteurs, à la fois privés et publics.

L'intensification des activités des petites entreprises, et par conséquent de la BFD, est attribuable à divers facteurs. Les secteurs des industries de services et des petites usines de fabrication ont connu une année remarquable en termes de production et d'emplois. Un autre facteur a été l'expansion du commerce d'exportation dans son ensemble, une industrie exportatrice sur douze est un client de la BFD. Les pêcheries et les autres industries connexes, dans lesquelles la BFD compte un grand nombre de clients, ont connu un regain d'activité. Il en a été de même pour le commerce de détail d'articles de consommation de première nécessité. En raison de la baisse du dollar canadien sur le marché des changes, de l'amélioration des moyens de transport à l'intérieur du pays et de l'introduction de forfaits, plus de Canadiens visitent leur pays. Cela a favorisé l'essor de l'industrie touristique, qui est un client important de la banque.

En plus du dynamisme de l'industrie des ressources, de l'industrie touristique, du commerce d'exportation et des autres secteurs commerciaux, la croissance des activités de la banque découle de l'amélioration de ses services. La limite d'autorisation des succursales et des bureaux régionaux a été étendue pour leur permettre d'approfondir pratiquement tous les prêts. De même, l'ouverture de nouveaux bureaux et l'augmentation du nombre de visites des représentants de la BFD dans des nombreuses localités ont rendu les services de la banque plus accessibles. Les clients ont eu accès à une gamme plus large de services financiers, y compris des services de gestion-conseil, des services de gestion de portefeuille, des services de gestion de la dette, des services de gestion de la trésorerie, des services de gestion de la structure de capital, des consultations, etc.



*R.F. Fiske, président	Halifax, N.-E.
D.R. Andrews	Kamloops, C.-B.
G.K. Bouey	Ottawa, Ont.
S. Cloutier	Ottawa, Ont.
H.B. Cohen	Calgary, Alb.
*G.J. Desmarais	St-Lambert, Qué.
C.C. Frenette	Montréal, Qué.
*G.A. Lavigne	Montréal, Qué.
*J.D. Love	Ottawa, Ont.
H.H. MacKay	Regina, Sask.
*G.F. Osbaldeston	Ottawa, Ont.
R.G. Rankin	London, Ont.
Mme Ian J. Reid	St-Jean, T.-N.
G.R. Sharwood	Toronto, Ont.
* Membre du Bureau	

Exercices	1978	1979
Prêts autorisés:		
nombre	12,271	9,908
montant	\$668,593,000	\$479,324,000
Placements autorisés:		
nombre	73	69
montant	\$18,361,000	\$11,736,000
Nombre de clients (prêts) au 31 mars	35,264	33,130
Nombre de clients (placements) au 31 mars	112	94
Solde en cours ou engagement au 31 mars envers:		
les clients (prêts)	\$1,853,326,000	\$1,614,260,000
les clients (placements)	\$27,374,000	\$17,040,000
CASE (Consultation Au Service des Entreprises):		
demandes reçues	14,943	9,807
dossiers traités	9,685	5,472
Séminaires de formation en gestion:		
nombre participants	1,365	1,049
Service d'information à la petite entreprise:		
demandes dirigées vers les programmes d'aide	52,630	30,397

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BANQUE
FÉDÉRALE

DE DÉVELOPPEMENT

SIÈGE SOCIAL

901, SQUARE VICTORIA, MONTRÉAL, QUÉ., H2Z 1R1

le 28 juin, 1979

L'honorable Robert R. de Cotret, C.P.
Ministre de l'Industrie et du Commerce
Ottawa, Ontario

Monsieur le Ministre,

Conformément aux dispositions de la Loi, sur la Banque fédérale de développement, j'ai l'honneur de vous soumettre ci-joint mon rapport pour l'année financière terminée le 31 mars 1979. Vous trouverez également ci-joints les états financiers de la Banque pour cette période, signés et approuvés de la manière prescrite.

Veuillez agréer, Monsieur le Ministre, l'assurance de ma considération distinguée.

Le président,

Guy A. Lavigne





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